

SUMMARY OF FINDINGS

<u>Control Objective</u>	<u>Findings / Risk</u>	<u>Recommendations</u>
1. GENERAL		
1.1 Policies and procedures over the control and the administration of key areas of operation are established with policies appropriately approved and reviewed.	Verbal Comment	Remove and update information on the ICT internet.
1.2 System access controls are established which are consistent with job responsibilities and achieve appropriate segregation of duties.	None	N/A
1.3 Access to end user systems is adequately restricted with critical systems files backed up on a regular basis and adequate change control procedures in place.	Verbal comment	Check inventory items have been re-assigned and ex employees have been removed from Track-It during the follow up.
1.4 The application of value for money criteria within ICT is appropriately addressed.	None	N/A
1.5 Measures are in place to prevent interruption of critical areas of operation.	None	N/A
1.6 Travel is undertaken in accordance with Council policy.	None	N/A
2. HUMAN RESOURCE MANAGEMENT		
2.1 Staffing arrangements for ICT are appropriately determined and administered in accordance with national conditions and local policies.	Verbal Comment	Ensure that the temporary arrangements are resolved. This will be reviewed during the follow up.
2.2 Salary information submitted for payroll input is appropriately completed and subject to prior review and approval.	None	N/A
2.3 Staff terminations, transfers, extensions and promotions are timeously notified to payroll.	None	N/A
2.4 Employee performance reviews are undertaken in accordance with Council policy with staff training and development carried out accordingly.	<p>It was found throughout testing employee review and development, that ICT have developed a system that on the whole far exceeds the policy requirements in that monthly reviews are carried out covering:</p> <ul style="list-style-type: none"> • What has gone well • What has gone not so well • Training requirements • Workload <p>The review is carried out together with line management and the reviewee and the documentation is completed electronically. It is a two way process with comments from all parties included.</p> <p><u>Network Analysts & Management Team</u></p> <p>The random sample of 10 ICT employees included three employees in this group. Performance Review documentation was reviewed on screen. It was apparent that workload is discussed in detail, training needs were identified and personal plans developed. The reviews are all password protected by the ICT Unit</p>	<ol style="list-style-type: none"> 1. In the circumstances where line management posts are vacant, management must ensure that the employee review and development process continues to be carried out. 2. If review and development documentation is kept on line, it must be secure and confidentiality maintained.

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Manager.

Network Assistants

The sample included two network assistants. It was confirmed that the network assistants have not been reviewed since May 2007 when they were carried out by the temporary Operations and Security Manager. The reviews were located on the network. They were not password protected and therefore could be accessed by anyone in ICT.

Network Technicians

Three network technicians were reviewed. One was completed in March 09, one April 09 and the other in August 2008. They were not password protected and therefore could be accessed by anyone in ICT. It was stated by the acting Senior Technician that he was moving towards monthly reviews as recommended by the Unit Manager and he would password protect the documents.

Area Technicians

The Senior Electronic Technician is responsible for reviewing the area technicians. He has recently returned to work after a period of long term absence. In his absence, one of the electronic technicians has been acting up. It was agreed that employee review and development should not be part of his acting up duties. However, it was not clearly defined who should be responsible in his absence. Therefore, the area technicians have not been reviewed since January 2008. The sample included two area technicians, who were last reviewed in October 2007. These reviews were located on the network and were appropriately password protected.

Because all of the reviews are stored electronically, there is no evidence of signature, however, it is evident that there is reviewee input on each of the sample.

1. *Where line management has been absent / post vacant, employee review and development is not being carried out as required.*
2. *Confidential employee review and development documentation is not always password protected and can be accessed by other members of staff.*

Audit Comment #3

2.5 Holiday entitlements are carried out in accordance with Council policy.

Cards are retained throughout the year by ICT employees. The Network Assistant (SY) keeps a separate record of leave entitlement / leave taken on a spreadsheet.

Annual leave records for ten employees were reviewed for both 2008 and 2009. The findings for this sample are as follows:

- 8 employees have a total of 12 occasions where leave was not pre authorised. These were eventually authorised between five days and two months after the leave was taken.
- 2008 leave cards could not be located for 8 employees
- One employee was awarded 34 days leave when her entitlement should have been 32 days and 4 hours
- On 2 occasions the signatory has not dated the

1. Annual leave should be authorised prior to being taken. In exceptional circumstances if leave is taken before authorisation, then authorisation should be sought as soon as reasonably possible.
2. Cards and records should be reconciled at the year end and any carry forwards should be checked and appropriately signed off.
3. Annual leave cards should be retained by ICT for 3 years.

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	<p>form when authorising leave</p> <ul style="list-style-type: none"> • From the spreadsheet, one employee appears to have 1.5 days outstanding at the end of 2008 that was not carried forward into 2009 <ol style="list-style-type: none"> 1. <i>Annual leave is not always being authorised within appropriate timescales.</i> 2. <i>Cards and records are not always being reconciled at the year end to ensure that the correct number of days are carried forward.</i> 3. <i>Leave cards are not always being retained and therefore the Council's Retention and Destruction Schedule is not being adhered to.</i> 	
Audit Comment #5		
2.6 Recruitment is performed in line with Council procedures.	Verbal Comment	Both ICT and the Executive Office should ensure that references are always taken up and original qualifications are recorded as seen and a copy kept on file.
2.7 Where applicable staff and contractors are adequately screened prior to appointment.	<p>There are currently ten school based staff employed by ICT. A review of the current Disclosure Database reflects the following:</p> <ul style="list-style-type: none"> • Three have never been disclosed • Four have lapsed and do not appear on the current database • One is due to be renewed and a renewal form was issued in May 2009 by Staffing. <p>This results in only one school based technician being appropriately disclosed.</p> <p>Further enquiries were made on an older snap shot of the Disclosure Database and it became apparent that other non-school based staff employed prior to 2006 had in fact been disclosed during 2003/04/05. It was stated by the ICT Unit Manager that it is currently not a requirement for these members of staff to be disclosed.</p> <ol style="list-style-type: none"> 1. <i>Disclosure Scotland checks are not being carried out as required. Adequate checks have not been performed to ensure the protection of children. This leaves the Council potentially exposed.</i> 2. <i>Existing employees, some of whom were disclosed in the past, are not being systematically included in the three year cycle requirement and are therefore currently not disclosed.</i> 	<ol style="list-style-type: none"> 1. Advice should be sought from Human Resource Management and a management decision made on which posts require a disclosure check. 2. All existing employees who are deemed as requiring a disclosure check should be renewed / disclosed with immediate effect. 3. ICT and Staffing must ensure that disclosed employees are included on a three year rolling programme of renewal as required by the policy.
Audit Comment #2		
2.8 Absence management policy requirements are observed.	Verbal comment	This area will be tested during the follow up.
2.9 Employees personnel records are held securely.	None	N/A
3. FINANCIAL MANAGEMENT		
3.1 Purchase orders and accounts are authorised and correctly processed in accordance with Financial Regulations.	None	N/A
3.2 Budgets are regularly monitored and significant variances investigated.	None	N/A
3.3 Sales invoices are accurately prepared and approved, issued timeously and	None	N/A

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correctly posted.		
3.4 Petty Cash balances are reconciled on a regular basis and maintained on an imprest system.	None	N/A
3.5 All income sources are identified and charges are regularly reviewed. Cash takings and balances are adequately secured, promptly banked, correctly allocated and fully accounted for.	<p><u>Service Level Agreements</u></p> <p>ICT deliver provision and support of computer equipment, telephones and network infrastructure services to various external public bodies. When this service is provided internally, it is funded via the recharge system. The external services are provided to the Shetland Charitable Trust, Shetland Council of Social Services, Shetland Development Trust and the Shetland Arts. ICT have an SLA with each of these third parties. Services are invoiced bi-annually.</p> <p>The invoices raised in 2008/09 do not reconcile precisely to the current SLAs. It was confirmed by the Acting Operations Supervisor that the charges invoiced in 2008/09 were based on estimated figures that were determined through the budget exercise. These figures do not reflect the actual charges that should have been made. Invoices raised should be based openly on the existing contractual arrangements.</p> <p>1. <i>Charges applied do not reconcile to the corresponding SLAs.</i></p> <p>2. <i>Information on the invoices is not transparent.</i></p>	<p>1. Annual charges to external bodies should be in accordance with the service level agreements.</p> <p>2. A breakdown of the service provision and associated costs should be provided on or with all future invoices.</p>
Audit Comment #4		
3.6 Lease payments are being carried out in accordance with agreements.	None	N/A
3.7 Credit cards, cheques and office keys are adequately secured.	None	N/A
4. CAPITAL EXPENDITURE		
4.1 Capital Programme works are correctly determined and represent either an enhancement of, or improvement to, Council facilities.	None	N/A
4.2 Commitments and expenditures made have received prior Council approval and are accurately recorded as to account, amount and period.	None	N/A
4.3 Adequate monitoring of works in progress and associated reporting to Council takes place.	None	N/A
5. CONTRACT MANAGEMENT		
5.1 Arrangements for service provision from third parties are contractually enforceable.	None	N/A
5.2 Steps are taken to ensure contract conditions are being applied.	None	N/A
5.3 Documentation is securely retained and timeously disposed of.	None	N/A
5.4 Contracts are awarded in accordance with original stipulated criteria.	None	N/A

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6. PROJECT MANAGEMENT		
6.1 Projects are administered in accordance with legislative requirements and Council policies.	None	N/A
6.2 Project service delivery complies with legislative requirements, Council policy and best practice with transactions substantiated by appropriate documentation.	Verbal Comment	Project Managers must ensure that appropriate budgets are identified early in the project management stage prior to the project being developed.
6.3 Contractors and suppliers are technically and financially vetted.	None	N/A
7. ASSET / INVENTORY MANAGEMENT		
7.1 The acquisition and disposal of assets and inventory items is managed in accordance with policy.	<p><u>Disposals</u></p> <p>The current load of disposals was uplifted by COPE in two batches. The items were not signed for at the time but documentation detailing the uplift has been forwarded to COPE for confirmation.</p> <p><u>Stock Take</u></p> <p>Stock levels and existing re-order levels are determined by the ICT Unit Manager and the acting Senior Network Technician. A regular report cannot be automatically produced from Track-It when re-ordering levels are reached. Therefore, a physical weekly stock count is required for re-ordering purposes.</p> <p>An ongoing stock taking policy has not been developed, however the Acting Operations Supervisor thinks that a full stock take should be undertaken at least six monthly. Given the scale of the stores and turnover of stock, management consideration should be given to what is appropriate, eg quarterly, bi-annual, rolling programme etc, the resources available and a clear policy defined.</p> <p><u>New Stock</u></p> <p>I evidenced a new intake of stock into the Store where items were checked to the appropriate purchase documentation, work order/allocation tag numbers are written on the boxes and the equipment tagged with pre-printed tags. These tags have bar codes on them. The work order numbers are hand written onto the goods received sheet and later manually entered into Track-It. This is duplication of effort, time consuming and open to human error</p> <p><u>Movers and Leavers</u></p> <p>Track-It is not updated when employees move or leave employment. Both exit check lists and new network applications (where no new equipment is requested) could be utilised to keep Track-It up to date.</p> <p><u>Installation Sheets</u></p> <p>When ICT staff retrieve items from the Store, the equipment is logged onto the Goods Transfer Sheets. This information is transferred onto Track-It. The information remains in the name of the Technician until such time as the installation sheet is completed. The installation information is then processed onto Track-It and the final allocation of the equipment recorded. From a sample of Technicians' records taken from</p>	<ol style="list-style-type: none"> 1. When disposals are uplifted, the Goods Disposed Note detailing the items should be ticked off and signed and dated by a member of the uplifting organisation. 2. Management should review the stock taking arrangements and come to a view on the frequency and nature of stock taking requirements, eg rolling programme, quarterly, six monthly. A reporting tool for re-order levels should be considered when purchasing new helpdesk/inventory software. 3. Consideration should be given to updating and streamlining the method of recording 'stock in' by using pre-printed labels for the boxes and utilising the existing bar coding in order to electronically record goods received. 4. Consideration should be given to updating Track-It for movers and leavers by utilising the exit check lists currently used and the network access requests (where no equipment is requested). 5. All ICT staff should review the items currently allocated against them on Track-It to clarify that these items are correctly allocated to them as individuals and update older installation information. 6. Decisions should be made regarding the nature and format of data to ensure that information recorded on Track-it (or any new inventory tool) is more precise and consistent. More detail should be provided eg office room numbers, class room numbers and class in a box etc. 7. Any new help desk / inventory software should have reporting as a feature and the original set up should facilitate the reporting resource.

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Track-It it is evident that items have been signed out of Stores for some time and installation sheets not completed. It is recognised that some of these items were allocated prior to the procedural improvements and some may also correctly be permanently allocated to the Technicians. This area is not reconciled or followed up by Operations.

Consistency of Records - Location of Equipment

Once equipment is installed, an installation sheet is completed by the Technicians and the person receiving the equipment signs the sheet. This information is recorded inconsistently. For example some equipment is allocated to buildings and some allocated to a named person. The Manager for Independent Living has 51 pieces of equipment allocated to her, all recorded as located at Quendale House. Most of these items are located in various premises across Lerwick. After making enquiries, the ILP Manager produced a spreadsheet detailing where all the computers and monitors were located. All computers had an allocation tag on them but five of the monitors did not have an allocation tag. It is accepted that these particular monitors would have been allocated prior to the systems being improved. It was further stated by the Acting Operations Manager that the new procedure is to allocate equipment to specific locations.

During the inventory test two primary schools were visited. Equipment allocated to the schools offices was easily identifiable, however equipment allocated throughout the schools was not. Neither Track-It or the schools administrators could provide relevant details. The Education Technicians traced the location of the laptops and computers through Active Directory.

Reports

Track-It has the functionality to provide various reports on the inventory. Unfortunately the system was not originally set up to facilitate the reporting function and reports cannot be easily produced from it. From my limited experience and usage of Track-It it does appear that the tool does not carry out all the functions required by Operations. Discussions are currently underway regarding a new help desk facility. ICT should ensure that the reporting function of any new system is set up appropriately ensuring that the issues covered in this comment can be accommodated within the new system.

- 1. Disposals are not being signed for at the uplift point, which could lead to discrepancies.*
- 2. Stock taking policies and procedures have not been developed. Re-ordering levels are dependent upon weekly stock count procedures and various check lists.*
- 3. Procedures surrounding the handling and recording of new 'stock in' is time consuming, there is duplication of effort and is exposed to human error.*
- 4. Track-it is not updated with 'movers' and 'leavers' resulting in the database being incorrect and out of date.*
- 5. Equipment may be inappropriately allocated to Technicians and/or installation sheets may not have been produced timeously.*

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	<p>6. <i>Information and allocation of equipment is inconsistently recorded on Track-it. Therefore, it is not always easy to identify the location of some equipment. Schools are particularly difficult.</i></p> <p>7. <i>Inventory reports are not available from Track-It.</i></p>	
	Audit Comment #1	
7.2 All assets are properly secured and usage controlled and monitored.	Refer to Control Objective 7.1	Refer to Control Objective 7.1
7.3 Registers are maintained for all assets, inventory items, tools and equipment with appropriate insurance arrangements in place.	Refer to Control Objective 7.1	Refer to Control Objective 7.1
8. ICT MANAGEMENT PROCEDURES		
8.1 Network access procedures are established and properly applied.	<p><u>Password Re-setting</u></p> <p>As the owner of the Network, ICT are responsible for re-setting access by issuing a temporary password when the current password has either expired, been forgotten or too many invalid attempts have been made. These resets are normally carried out by the Helpdesk on the receipt of a telephone call. The ICT helpdesk staff are relatively knowledgeable about their users and it was stated that the callers are identified by the Cisco phone system. This does not ensure that the person at the computer and on the phone is the actual user. This is an area of weakness where an unauthorised person could request and gain access to the network.</p> <p>In the knowledge that 'single sign on' may be a consideration in the future, the security of the network and controls surrounding passwords are even more significant.</p> <p><u>Access - Removal</u></p> <p>Removal from the network is dependent upon two factors, firstly the services should complete a Network Access form with the 'Delete User' box ticked. Secondly, ICT run a monthly leavers report from which they ascertain which employees have actually left the Council (and not just moved). From this a work order is created and the users access is deleted.</p> <p>From a sample of 12 leavers, 3 forms have not been submitted by the services and access has not been removed. It has been confirmed that two of these have definitely terminated their employment with the Council. The third was not employed between the 23rd March 2009 and the 1st June 2009 but her access was continuous. Enquiries were made as to why these leavers had not been picked up from the monthly CHRIS reports. It was stated and evidenced by Audit that the CHRIS leavers' report in its current format is not a competent source of information. The network assistants also have the added problem that some services do not want temporary posts / maternity posts / students etc removed and request that they are not removed.</p> <p>Furthermore, it was stated that quite recently an ex employee was discovered still accessing and using their e-mail account.</p> <p>HR's resignation checklists do have a section highlighting that the employee should be deleted from</p>	<ol style="list-style-type: none"> 1. Taking into consideration the risks and the local environment, ICT should consider whether it is appropriate for temporary passwords to the network to be issued verbally over the phone. 2. A review should be undertaken to include ICT's policy regarding deletion of leavers / temporary employees / maternity / students access etc to the network and the methods that should be used to ensure prompt and appropriate deletion.

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	<p>the computer network, email and CHRIS. However, administrators have to complete a different form for removal from each system. Integra, Swift and other systems are not referred to in the resignation checklist.</p> <p>An HR Assistant (EM) has suggested to ICT that an amendment to the SAL3 form covering removal from all systems could be implemented. In addition, the network assistants would like to re-introduce the system whereby they check on a regular basis with administration officers if the existing users are still current.</p> <p><i>Unauthorised access to the network may be obtained putting both data and systems at risk.</i></p>	
	Audit Comment #6	
	Verbal Comment	
8.2 Help desk procedures are established and properly applied.		Review overdue work orders during the follow up to ensure that jobs are being closed timeously, Track-it is being updated regularly and priority 6s are being signed off.
8.3 Vehicles are appropriately utilised by insured drivers with logbooks maintained.	None	N/A
8.4 Statistical returns are accurately completed and promptly submitted.	None	N/A