



# Dacorum Borough Council

## Final Internal Audit Report

### Information Governance

November 2017

This report has been prepared on the basis of the limitations set out on page 9.

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**Key Dates:**

Date of fieldwork: September 2017  
Date of draft report: October 2017  
Receipt of responses: October 2017  
Date of final report: November 2017

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# 1. Executive Summary

## 1.1. Background

As part of the Internal Audit Plan for 2017/18, we have completed a risk based audit of the processes in place for Information Governance.

## 1.2. Audit Objective and Scope

The overall objective of this audit was to provide assurance over the adequacy and effectiveness of current controls for Information Governance, and provide guidance on how to improve the current controls going forward.

In summary, the scope covered the following areas: Policies & Procedures, Receipt of Freedom of Information (FOI) request and tracking requests, Responses provided to FOI requests, and Transparency.

### Summary Assessment

Our audit of the Council’s internal controls operating over Information Governance found whilst there is a basically sound system of internal control design, there are weaknesses in design which may place some of the system objectives at risk. There is evidence that the level of non-compliance with some of the controls may put some of the system objectives at risk.

Our assessment in terms of the design of, and compliance with, the system of internal control covered is set out below:

Evaluation Assessment	Testing Assessment
Full	Substantial

Management should be aware that our internal audit work was performed according to UK Public Sector Internal Audit Standards (PSIAS) which are different from audits performed in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. Similarly, the assurance gradings provided in our internal audit report are not comparable with the International Standard on Assurance Engagements (ISAE 3000) issued by the International Audit and Assurance Standards Board.

Similarly, the assessment gradings provided in our internal audit report are not comparable with the International Standard on Assurance Engagements (ISAE 3000) issued by the International Audit and Assurance Standards Board. The classifications of our audit assessments and priority ratings definitions for our recommendations are set out in more detail in Appendix A, whilst further analysis of the control environment over Information Governance is shown in Section 3.

### 1.3. **Key Findings**

We have raised one priority 2 and one priority 3 recommendations where we believe there is scope for improvement within the control environment. These are set out below:

- Policies and Procedures should be reviewed and where relevant updated (Priority 3).
- All information mandated by the Local Government Transparency Code 2015 should be published in a timely manner (Priority 2).

Full details of the audit findings and recommendations are shown in Section 4 of the report.

### 1.4. **Management Response**

We received the management responses in a timely manner and these have been included in the main body of the report.

### 1.5. **Acknowledgement**

We would like to take this opportunity to thank all staff involved for their time and co-operation during the course of this visit.

## 2. Scope of Assignment

### 2.1. Objective

The overall objective of this audit was to provide assurance that the systems of control in respect of Information Governance, with regards to the areas set out in section 2.3, are adequate and are being consistently applied.

### 2.2. Approach and Methodology

The following procedures were adopted to identify and assess risks and controls and thus enable us to recommend control improvements:

- discussions with key members of staff to ascertain the nature of the systems in operation;
- evaluation of the current systems of internal control through walk-through and other non-statistical sample testing;
- identification of control weaknesses and potential process improvement opportunities;
- discussion of our findings with management and further development of our recommendations; and
- preparation and agreement of a draft report with the process owner.

### 2.3. Areas Covered

The audit was carried out to evaluate and test controls over the following areas:

#### **Policy and Procedures relating to Freedom of Information (FOI)**

The Council's policy and approach in handling Freedom of Information requests are defined and the requests are handled in a consistent and accurate manner.

#### **Receipt of FOI requests and tracking of the requests**

All Freedom of Information requests received by the Council are logged in a complete, accurate and timely manner and these are processed and responded to in accordance with the statutory timeframe.

#### **Response provided to FOI requests**

All FOI requests are handled in a complete, accurate and timely manner in accordance with the FOI Act and the guidance issued by the Information Commissioner's Office. Correct response is provided to the information requestor in accordance with the FOI Act.









#### **Transparency**

The Council publishes all of the mandatory information that is required to be published under the Local Government Transparency Code and information published is accurate and up to date.

### 3. Assessment of Control Environment

The following table sets out in summary the control objectives we have covered as part of this audit, our assessment of risk based on the adequacy of controls in place, the effectiveness of the controls tested and any resultant recommendations.

The classifications of our assessment of risk for the design and operation of controls are set out in more detail in Appendix A.

Control Objectives Assessed	Design of Controls	Operation of Controls	Recommendations Raised
Policies and Procedures			<b>Recommendation 1</b>
Receipt of FOI requests and tracking of the requests			-
Response provided to FOI request			-
Transparency			<b>Recommendation 2</b>

The classifications of our assessment of risk for the design and operation of controls are set out in more detail in Appendix A.

## 4. Observations and Recommendations

### Recommendation 1: Policies and Procedures – Review and update where applicable (Priority 3)

<p><b>Recommendation</b></p> <p>The Council’s Information Governance Policy and Procedure documents should be reviewed and updated (where appropriate) on a regular basis (annually).</p>
<p><b>Observation</b></p> <p>Regular review of policies and procedures will help to ensure that up to date best practices are adopted across the Council.</p> <p>The examination of five Policy and Procedure documents identified that these were last reviewed and updated as follows:</p> <ul style="list-style-type: none"> <li>• Information Assurance Document Structure last updated on 15th March 2016;</li> <li>• Corporate FOI Policy last updated in January 2016;</li> <li>• Dacorum Borough Council Fee Policy last updated in February 2016;</li> <li>• Procedure for Handling FOI requests last updated in June 2006; and</li> <li>• Simplified workflow for Handling FOI requests last updated in December 2015.</li> </ul> <p>Discussions with the Information Security Manager confirmed that they are aware that Policies and Procedures are due for update are working on updating Policy and Procedure notes.</p> <p>It is acknowledge that FOI regulations have not changed since its introduction in 2005, thus, with regards to regulatory changes, Policy and Procedure notes may still be relevant.</p> <p>Where Policy and Procedure documents are not reviewed and updated, there is an increased risk that outdated practices may be adopted by staff which could result in inefficiencies.</p>
<p><b>Responsibility</b></p> <p>Information Security Officer</p>
<p><b>Management response / deadline</b></p> <p>All policies and procedures will be reviewed by 31 March 2018.</p>

**Recommendation 2: Publishing all mandatory information in a timely manner in accordance with the Local Government Transparency Code 2015. (Priority 2)**





<p><b>Recommendation</b></p> <p>The Council should ensure that all up-to-date mandatory information is published in a timely manner in accordance with the Local Government Transparency Code 2015. Date of update should be noted. Consideration should be given to assigning an oversight responsibility to a nominated officer to ensure that the Council's compliance with the Code is monitored on a periodic basis and as and when any changes to the Code are announced.</p>
<p><b>Observation</b></p> <p>The Local Government Transparency Code 2015 sets out the information that organisations are required to publish. This includes, but is not limited to:</p> <ul style="list-style-type: none"> <li>• Expenditure exceeding £500;</li> <li>• Government Procurement Card Transactions;</li> <li>• Procurement Information;</li> <li>• Local Authority Land;</li> <li>• Social housing Asset Values; and</li> <li>• Grants to Voluntary, Community and Social Enterprise Organisations.</li> </ul> <p>The frequencies of updates to be provided are also defined in the Code, and any other subsequent updates to the Code.</p> <p>From the examination of the 17 information types mandated to be published by the Local Government Transparency Code 2015, one case was identified where mandatory information had not been published. This was Waste Contracts information type which was previously required to be published once only but now required to be published quarterly.</p> <p>Whilst it was confirmed that relevant mandatory information had been published in remaining 16 out of 17 cases, audit further identified the following:</p> <ul style="list-style-type: none"> <li>• Five cases where neither the date ranges nor the publication dates had been noted on published information; as such audit could not verify that records were up to date and published timely; and</li> <li>• Five cases where publication dates were not noted however date ranges were included. Out of these five cases, two cases were found to be due for an update.</li> </ul> <p>Where mandatory information is not published in a timely manner, there is a risk that the Council may not be complying with the requirements of the Local Government Transparency Code 2015 which may result in noncompliance penalties being levied against the Council.</p>
<p><b>Responsibility</b></p> <p>Information Security Officer</p>
<p><b>Management response / deadline</b></p> <p>Legal Governance are not the custodians of the data mentioned, but will follow up with Data owners to ensure transparency data is up to date. To be completed by 31 December 2017.</p>



## Appendix A - Reporting Definitions

### Audit assessment

In order to provide management with an assessment of the adequacy and effectiveness of their systems of internal control, the following definitions are used:

Level	Symbol	Evaluation Assessment	Testing Assessment
<b>Full</b>		There is a sound system of internal control designed to achieve the system objectives.	The controls are being consistently applied.
<b>Substantial</b>		Whilst there is a basically sound system of internal control design, there are weaknesses in design which may place some of the system objectives at risk.	There is evidence that the level of non-compliance with some of the controls may put some of the system objectives at risk.
<b>Limited</b>		Weaknesses in the system of internal control design are such as to put the system objectives at risk.	The level of non-compliance puts the system objectives at risk.
<b>Nil</b>		Control is generally weak leaving the system open to significant error or abuse.	Significant non-compliance with basic controls leaves the system open to error or abuse.

The assessment gradings provided here are not comparable with the International Standard on Assurance Engagements (ISAE 3000) issued by the International Audit and Assurance Standards Board and as such the grading of 'Full' does not imply that there are no risks to the stated control objectives.

### Grading of recommendations

In order to assist management in using our reports, we categorise our recommendations according to their level of priority as follows:

Level	Definition
<b>Priority 1</b>	Recommendations which are fundamental to the system and upon which the organisation should take immediate action.
<b>Priority 2</b>	Recommendations which, although not fundamental to the system, provide scope for improvements to be made.
<b>Priority 3</b>	Recommendations concerning issues which are considered to be of a minor nature, but which nevertheless need to be addressed.
<b>System Improvement Opportunity</b>	Issues concerning potential opportunities for management to improve the operational efficiency and/or effectiveness of the system.

## Appendix B - Staff Interviewed

The following personnel were consulted:

- John Worts – Information Security Manager
- Jean Bellis – Paralegal
- Sharon Scourfield – Organisational Development Training Officer
- Mark Brookes – Solicitor to the Council

We would like to thank the staff involved for their co-operation during the audit.

## Statement of Responsibility

We take responsibility for this report which is prepared on the basis of the limitations set out below.

The matters raised in this report are only those which came to our attention during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Recommendations for improvements should be assessed by you for their full impact before they are implemented. The performance of our work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices. We emphasise that the responsibility for a sound system of internal controls and the prevention and detection of fraud and other irregularities rests with management and work performed by us should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify all circumstances of fraud or irregularity. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud. Our procedures are designed to focus on areas as identified by management as being of greatest risk and significance and as such we rely on management to provide us full access to their accounting records and transactions for the purposes of our work and to ensure the authenticity of such material. Effective and timely implementation of our recommendations by management is important for the maintenance of a reliable internal control system.

### **Mazars Public Sector Internal Audit Limited**

#### **London**

#### **November 2017**

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