
**MANCHESTER CITY COUNCIL
REPORT FOR RESOLUTION**

Report To: Audit Committee - 30 September 2010

Subject: Implementation of External Audit Recommendations
Monitoring Report – June 2010 to September 2010

Report Of: Head of Financial Management

Purpose of Report

To report progress on the implementation of recommendations outstanding from external audit work conducted across the Authority by the Audit Commission and Grant Thornton.

Recommendations

Audit Committee is requested to:-

1. Note the report and advise on any further action to be taken.
2. Consider the removal of those recommendations now completed as identified in Appendix 2.

Financial consequences for the Capital and Revenue Budgets

None identified.

Contact Officers

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Background Documents

Audit Reports listed in Appendix 1

Wards Affected

N/A

Implications for Key Council Policies

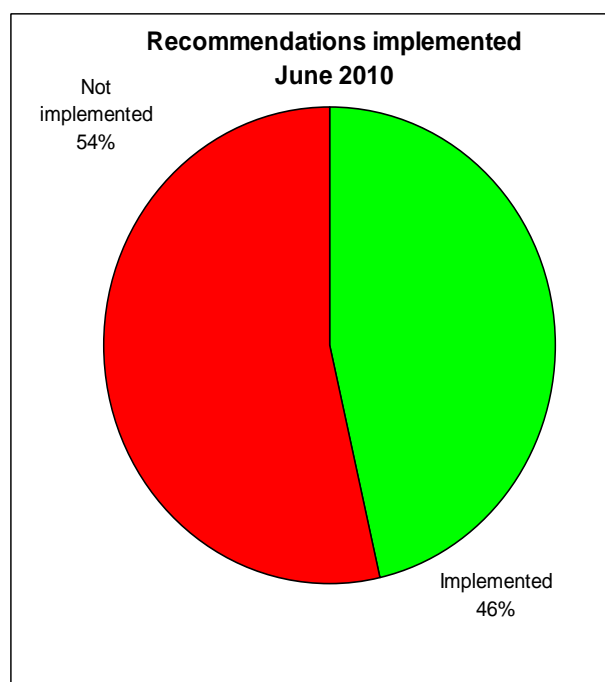
Anti-Poverty	Equal Opportunities	Environment	Employment
None	None	None	None

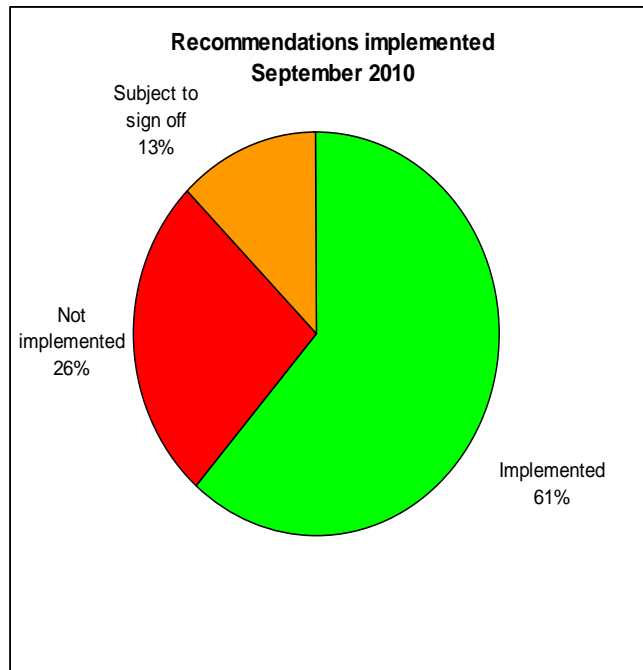
1 Introduction

- 1.1 The implementation of recommendations included within external audit reports is routinely monitored by the Corporate Performance Group. At its meeting on 3 June 2010, the Committee received a progress report for the period January 2010 to June 2010. The report highlighted the successful completion of many areas of work, and significant progress in most others.
- 1.2 It was agreed to remove from the monitoring schedule those items reported as completed, subject to the concurrence of the Council's external auditor. Subsequently, Grant Thornton agreed to the removal of these items from the schedule.
- 1.3 The monitoring report now presented is compiled from updates submitted by lead officers for each of the remaining external audit recommendations. It details action underway to implement those recommendations within timescales.

2 Progress against recommendations

- 2.1 Continued progress has been made against a significant number of the external audit recommendations in the period from June to September 2010. A summary is set out in Appendix 1 which confirms that of the External Audit reports listed (which has now risen to 15 since the Committee's June meeting), eight of them have had all the auditor's recommendations implemented.
- 2.2 Following the Committee's June meeting and the inclusion of the additional External Audit reports, 59 from a total of 127 recommendations (46%) had been implemented. This has now risen to 78 recommendations implemented from 127 (61%). A further 16 recommendations (13%) are subject to sign off by Grant Thornton, which will be reported on at the meeting.





2.3 Appendix 2 provides more detail, so that members can refer to areas they are interested in or may have concerns about. This Appendix includes the recommendations that awaiting implementation, together with their timescales for completion.

3 Monitoring reports scheduled for submission to Audit Committee 2010/11

3.1 As agreed at the last meeting, further monitoring reports are scheduled for submission to Audit Committee on 9 December 2010 and 24 March 2011.

SUMMARY OF AUDIT REPORTS WITH OUTSTANDING RECOMMENDATIONS

APPENDIX 1

Audit Report	Issued	Recommendations Implemented as at June 2010	Recommendations Implemented as at September 2010	Overall Assurance
Review of Risk Management	June 2008	12/16	16/16	All recommendations now implemented.
Review of Internal Audit	January 2008	8/11	11/11	All recommendations now implemented.
Governance	March 2008	1/2	2/2	All recommendations now implemented.
Review of the Management of External Funding	June 2008	9/10	10/10	All recommendations now implemented.
Data Quality	November 2008	1/2	2/2	All recommendations now implemented.
Grant Claims and Returns 2007-08	January 2009	12/14	14/14	All recommendations now implemented.
Annual Report to those Charged with Governance	September 2009	1/6	6/6	All recommendations now implemented.
Grants Report 2008-09	February 2010	3/4	4/4	All recommendations now implemented.
SAP Follow Up Report 2008/09	July 2009	3/4	3/4	The SAP Security Policy is now in its final stages of review. The original target date of August 2010 under-estimated the scale and range of input required to complete the document and a there is revised target date of end of September 2010 for completion of the Policy document.
Information Systems Controls	November 2009	6/14	6/14	The ICT Service is making progress in several areas of service development and improvement. Work is continuing and ICT

Audit Report	Issued	Recommendations Implemented as at June 2010	Recommendations Implemented as at September 2010	Overall Assurance
				Management are making regular priority calls on which actions are completed given the scarcity of resources. Where there are revised completion dates, these are detailed in Appendix 2.
Information Security Management 2009/10	April 2010	0/7	3/7	The remaining actions are being implemented and the Information Security Policy will be signed off in December 2010. Recommendation 1 has been implemented subject to sign off by Grant Thornton.
IT Governance 2009/10	April 2010	0/7	3/7	The remaining actions are being implemented towards full implementation by October 2010. Recommendations 1,4 and 5 have been implemented subject to sign off by Grant Thornton.
Interim Accounts 2009/10	May 2010	3/10	5/10	The remaining actions are being implemented towards full implementation by December 2010. Recommendations 7,8 and 9 have been implemented subject to sign off by Grant Thornton
Partnership Working	June 2010	0/10	5/10	The remaining actions are being implemented towards full implementation by December 2010. Recommendations 2.1, 2.2, 2.3, 3 and 4 have been implemented subject to sign off by Grant Thornton.
SAP Utilisation	April 2010	0/10	5/10	The remaining actions are being implemented towards full implementation by December 2010. Recommendations 2, 8, 9 and 10 have been implemented subject to sign off by Grant Thornton.

PROGRESS AGAINST OUTSTANDING AUDIT RECOMMENDATIONS

APPENDIX 2

Report: Review of Risk Management (July 2007)

Recommendation	Responsible Officer	Recommended Implementation date	Revised date	Progress Update
<p>R5 The Council should address with partners how partnership risk management will work in practice, as part of implementation of actions to clarify and strengthen its own processes.</p>	<p>Tom Powell, John Gill</p>	<p>June 2010 (Implemented)</p>	<p>n/a</p>	<p>Embedding risk management both within Council services and within partnership working is an ongoing and iterative process and work will continue within all partnerships in refining and delivering risk management and mitigation for as long as individual partnerships are active. Corporate lead responsibility for engagement with partnerships is provided by the Risk Manager (Strategy) and in addition, all Thematic Partnerships have a named allocated corporate risk manager to work with them on delivery of their operational risk management programmes. The Manchester Partnership has a Strategic Risk Register with individual senior officers owning each risk and lead officers managing those risks. Whilst all Thematic Partnerships are engaged with the risk management process, particular examples of good risk management practice can be seen within Crime and Disorder, Sustainable Neighbourhoods and Adults Thematic Partnerships. The corporate risk management team will continue to engage directly with partnerships on an ongoing basis as their work programmes are delivered and new work streams come on line.</p>
<p>R6 The Council should ensure that departmental risk registers are further developed to more</p>	<p>Tom Powell, John Gill</p>	<p>June 2010 (Implemented)</p>	<p>n/a</p>	<p>Departmental risk registers have been further developed with the assistance of the Corporate Risk Management team providing support through named risk managers working directly with all departments.</p>

Recommendation	Responsible Officer	Recommended Implementation date	Revised date	Progress Update
consistently describe risks, consequences and mitigating controls.				<p>Support is provided through both dedicated service risk workshops and training, provided either through generic sessions (planned on a monthly basis) or through service specific training, which aims to focus directly on risk assessing service objectives. The corporate risk management team proactively targets engagement with departments where uptake of training appears to require further encouragement and support.</p> <p>The corporate risk management team is also engaged directly on feedback and challenge to risk assessments within service Business Plans.</p> <p>Progress with risk management training and workshop provision is scrutinised within the performance management framework.</p> <p>Embedding risk management within all departments is an ongoing and iterative process and services need to be revisited as personnel change and new priorities come on line. This will continue to be a primary focus of risk management activity across the Council and following SMT Use of Resources Sub Group In August 2010 the next proposal is to support the codification of risk management strategies and risk registers at directorate business plan and Target Operating Model level.</p>

Recommendation	Responsible Officer	Recommended Implementation date	Revised date	Progress Update
<p>R7 The Council should ensure that departmental risk registers: clearly show how mitigating controls will manage the risk, explain the basis of the judgement on acceptability of residual risk and set out how assurance will be obtained over the effectiveness of operation of mitigating controls; allocate management of the risk to a named individual and set a deadline for implementation of any actions on mitigating controls.</p>	<p>Tom Powell, John Gill</p>	<p>June 2010 (Implemented)</p>	<p>n/a</p>	<p>Departmental risk registers have been further developed with detailed aspects of developing them being addressed through risk Management training sessions and tailored workshops provided for individual services to ensure that all components of this recommendation are addressed with attendees. Follow up scrutiny by the corporate risk management team is aimed at ensuring full compliance with all aspects of the risk management programme as services translate initial learning into practical risk management activity as a core managerial competency.</p>
<p>R8 The Council should ensure that departmental risk registers are updated throughout the year to evidence ongoing management of risks.</p>	<p>Tom Powell, John Gill</p>	<p>June 2010 (Implemented)</p>	<p>n/a</p>	<p>Covered in updates R6 and R7 above</p>

Report: Review of Internal Audit (January 2008)

Recommendation	Responsible Officer	Recommended Implementation date	Revised date	Progress Update
R9 The internal audit quality manual, when produced, should include procedures to: standardise the electronic and paper file structure; ensure that each file contains systems documentation and description of walkthrough testing; incorporate CIPFA key control into job planning.	Tom Powell Internal Audit	July 2010 (Implemented)	n/a	Audit Manual produced alongside the update of the Audit Management system during July and August 2010. Manual sets out purpose, principles, process and people throughout the audit cycle and includes references to documentation, filing and planning standards including reference to CIPFA key controls where appropriate. The updated management system includes a library for retention of key documents, controls and best practice that will be developed over the next 12 months and beyond as a source of reference for all staff.
R10 To be fully compliant with the code a monitoring and review programme to ensure that due professional care is achieved and maintained should be developed.	Tom Powell Head of Internal Audit	July 2010 (Implemented)	n/a	Quality programme exists through management review and sign-off in audit management system and as part of service standards. This has been strengthened through the development of an independent compliance and review programme from 2010/11.
R11 The quality assurance process framework, building on the items set out in paragraph 41 should be finalised.	Tom Powell Head of Internal Audit	July 2010 (Implemented)	n/a	Covered in updates R9 and R10 above

Report: Governance (March 2008)

Recommendation	Responsible Officer	Recommended Implementation date	Revised date	Progress Update
<p>R2 Challenging assurances and resolving previous issues: The Council should ensure that previously identified areas of weakness within partnership management arrangements are used to review and challenge partnership assurances and to feed into management arrangements improvement plans.</p> <p>In particular, the Council should focus attention on demonstrating value for money; consistently approving business cases before entering into partnerships; joint strategic needs assessments, including an understanding of inequalities, that drives forward long term commissioning decisions and partnership objectives; improving evidence of joint service and financial planning through the Medium Term Financial Plan and service business plans; expanding joint procurement, asset management, IT and data quality arrangements; obtaining assurance over significant partners' business continuity plans.</p>	<p>Jane Abdulla / Emma Burnett</p>	<p>September 2010 (Implemented)</p>	<p>n/a</p>	<p>An ongoing cycle of work to manage the Council's significant partnerships continues, involving the maintenance of a register of significant partnerships which are considered key to the delivery of the Council's objectives. The register includes a judgement on each partnership's significance, and an overall risk assessment for each partnership. The level of risk enables the Council to focus corporate review and support on those partnerships that represent the greatest risk to the Council.</p> <p>Wider improvement work within the Council has also taken place on the range of issues described as part of this recommendation, including an Internal Audit review of ten significant partnerships, as part of an ongoing programme of work to provide an opinion on the effectiveness of governance arrangements. This work has positively impacted on the Council's management and assurance of its significant partnerships.</p> <p>In particular, the Council's work in relation to Use of Resources over the past 2 years has seen progress in specific areas including value for money, data quality and internal control, evidenced by increased Use of Resources scores. In addition, the implementation of the 2010-2013 Value for Money strategy and action plan is progressing work in a number of key areas, including commissioning, business</p>

Recommendation	Responsible Officer	Recommended Implementation date	Revised date	Progress Update
<p>Evidencing partners' confidence in the arrangements for partnerships, inc. standards of conduct and governance arrangements; introducing robust risk management arrangements for partnerships; embedding robust performance management arrangements for all significant partnerships, based on corporate standards for performance management, implementing a procedure for declaring conflicts of interest within partnership organisations; considering whether there is a requirement for scrutiny to review any other significant partnerships (based on the outcome of the evaluation exercise); ensuring that the internal audit plan responds to key risks identified by the evaluation process; linking the PGF to the wider assurance framework; widening systematic feedback on how services are performing and demonstrating how this assists in making improvements to services; introducing systematic joint processes for managing the environmental impact of delivery of public services in Manchester.</p>				<p>planning, data quality, the Council's medium term financial strategy, risk and partnerships work planning and governance. Progress has also been made on improving commissioning activity - including joint commissioning - and is being driven by an SMT sub group for Integrated Commissioning and a Strategic Commissioning Group with partner representation on it. Corporate Procurement has been cited as an area of notable practice, and the service has worked with other Local Authorities, and on a regional basis to ensure expertise is disseminated to improve procurement methods for challenging areas. The Environmental Strategy and Climate Change Action Plan have ensured close working with partners to set realistic targets for Manchester and sub regionally, and the Asset Management Plan and Corporate Property Strategy continue to drive efficiencies through working with partners and ensuring sustainable solutions for the future. Other key delivery plans and programmes such as the Total Place Initiative and City Region Pilots, Manchester Investment Plan for Housing, and the Greater Manchester Transport Fund are significant partnership programmes which can only be delivered through effective collaborative working focusing on delivering value for money and improved outcomes for Manchester's residents.</p>

Report: Review of the Management of External Funding (June 2008)

Recommendation	Responsible Officer	Recommended Implementation date	Revised date	Progress Update
R7. The Council should ensure the blue file methodology is consistently applied across all services, and appropriate training is provided to officers for all significant externally funded projects where there is no documentation standard prescribed by the funding organisation.	Carol Culley Head of Financial Management	Implemented	n/a	The blue file methodology, used for the larger more complex schemes, especially ERDF schemes, is now fully rolled out. Once an offer letter has been received, a support and advice session will be held with the project manager taking them through the blue file methodology.

Report: Data Quality, November 2008

Recommendation	Responsible Officer	Recommended Implementation date	Revised date	Progress Update
R1 The Council should review systems used to capture performance information to ensure that data input is "right first time" and does not require significant manual adjustments to produce reliable and accurate information.	Jane Abdulla/ Andrew Blore	July 2010 (Implemented)	n/a	There has been an ongoing process for assessing Data Quality through peer review audits. To date over 150 checklists have been scored and over 60 indicators have been assessed through peer review. The remaining indicators are timetabled to be assessed throughout 2010/11. Any issues that have been identified are managed through data quality action plans. The data quality audits are targeted towards Partner organisations. Manchester Fire and Rescue, NHS Manchester, GMPTE and GMP are all engaged in the data quality audit process.

Recommendation	Responsible Officer	Recommended Implementation date	Revised date	Progress Update
				The data quality audit framework has been recommended by Grant Thornton as good practice and will be adopted by partners, in particular GM Fire and Rescue and NHS Manchester.

Report: Grant Claims and Returns 2007/08 (January 2009)

Recommendation	Responsible Officer	Recommended Implementation date	Revised date	Progress Update
R 1 The Council should review its procedures for the certification of grant claims and returns and appoint a central grants coordinator responsible for identifying and monitoring all claims against submission deadlines	Steve Carey	Implemented	n/a	A Grant Coordinator post was set up within the Strategic Planning Team and appointed to in November 2008. The procedures for certifying grant claims have been reviewed and a revised protocol issued in September 2009 and re-issued with a covering memo in May 2010. All grants / returns subject to external audit have been identified and a database created holding all appropriate details (agreed with audit). Reminders of deadlines for submission of grant claims are sent to responsible officers as a matter of routine and confirmations also sought to ensure claims were submitted to deadline (or if not when they were submitted). The post has now been recruited to on a permanent basis and the post holder is expected to be in position by October 2010.
R12 The Housing department should improve the audit trail for eligible administrative expenses for the pooling housing capital receipts	Paul Hindle	June 2010 (Implemented)	n/a	Only costs related to completed sales are now included within the claims, wherever possible this will be direct costs but in some instances costs are apportioned, based on the number of right to buy cases completed. Working papers are prepared to show the basis of calculating the costs, together with the supporting

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return.				evidence around numbers of completed sales.

Report: Annual Report to Those Charged with Governance (September 2009)

Recommendation	Responsible Officer	Recommended Implementation date	Revised date	Progress Update
R1 The Council should ensure receipts in advance are correctly recorded within the financial ledger, ensuring departments are clear of the accounting requirements	Karen Gilfoy	June 2010 (Implemented)	n/a	Guidance was issued to departmental finance staff on the accounting treatment of receipts in advance as part of the Council's year-end closedown procedures. This was also discussed with the departmental closedown coordinators at the meetings held during the closedown of the Council's accounts. The Financial Accountancy team checked the coding and supporting evidence of all receipts over £100,000 in advance before the 2009-10 accounts were submitted to the Audit Committee on 24 June.
R2 As part of year end bank reconciliation, the Council should review cheques raised at the end of the year and restate any cheques not issued.	Karen Gilfoy	June 2010 (Implemented)	n/a	All cheques that were raised but not issued by 31 March 2010 have been identified. These have been restated and have been classed as creditors rather than cash in the 2009-10 accounts that were submitted to Audit Committee on 24 June.
R3 The Council should ensure all assets are valued on the correct basis in accordance with the SoRP guidance for updating valuations following reclassifications.	Karen Gilfoy/Mike Robertson	June 2010 (Implemented)	n/a	Valuations were received from Corporate Property for assets that have been reclassified. These valuations were included in the 2009-10 accounts submitted to Audit Committee on 24 June

Recommendation	Responsible Officer	Recommended Implementation date	Revised date	Progress Update
R5 The Council should review coding within the SAP ledger with a view to minimising the amount of manual adjustments required, and increase efficiency in producing the accounts.	Karen Gilfoy	Implemented	n/a	A SAP report was developed and used to produce the 2009-10 Income and Expenditure Account. This considerably reduced the number of manual adjustments required to produce the statement, which increased the efficiency in producing the accounts
R6 The Council should review the repairs and maintenance debtors on the housing rents system and remove erroneous debtors and associated bad debts.	Mark Slater	Implemented	n/a	Procedures are being implemented to ensure that all re-chargeable repairs - repairs and maintenance debtors – are periodically reviewed and reported to an appropriate manager. A review of the debt collection procedure for these debts, in association with Northwards the Council's Arms Length Management Company who managed North Manchester's Council Homes - is planned for the third and fourth quarters of 2010/2011.

Report: Grant Claims and Returns 2008/09 (February 2010)

Recommendation	Responsible Officer	Recommended Implementation date	Revised date	Progress Update
R3 Pooling Housing Capital Receipts. The Council should ensure administrative costs deducted from the claim are allowable and are supported by a clear	Paul Hindle	Implemented	n/a	Only costs related to completed sales are now included within the claims, wherever possible this will be direct costs but in some instances costs are apportioned based on the number of right to buy cases completed. Working papers are prepared to show the basis of calculating the costs, together with the supporting evidence around numbers of completed sales.

Recommendation	Responsible Officer	Recommended Implementation date	Revised date	Progress Update
audit trail.				

Report: SAP Follow Up Report 2008/09 (July 2009)

Recommendation	Responsible Officer	Recommended Implementation date	Revised date	Progress Update
<p>R3 We recommend that documentation of the SAP Security Policy is undertaken so that security administrators have appropriate understanding of security controls and procedures for SAP. A SAP Team Lead should also be appointed as soon as possible to ensure that all risks are appropriately managed and controlled. MCC will outsource the production of a SAP Security Policy. This will be completed within 3 months</p>	Phil Burke	August 2010 (Partially implemented)	End September	<p>The original target date of August 2010 under-estimated the scale and range of input required to complete the document and a revised target date of end-September 2010 is now anticipated for completion of the Policy document.</p> <p>The SAP Security Policy is now in its final stages of review and work is currently underway to collate information gathered from a number of contributory sources into the final version of the document. Once complete, the document will be submitted for 'sign-off' under MCC's SAP-governance arrangements.</p> <p>The Security and Access Working group (established in response to the Audit recommendation R3) continues to monitor progress in establishing an effective Security Policy as well as managing other SAP security related issues.</p>

Report: Information Systems Controls (November 2009)

Recommendation	Responsible Officer	Recommended Implementation date	Revised date	Progress Update
<p>R3. We recommend that the IT Security Policy is updated as soon as the partnership with Ernst and Young comes into effect.</p>	<p>Steve Park</p>	<p>End of June 2010</p>	<p>September 2010</p>	<p>The policy has been released for consultation, updated, and now awaits final sign-off before release to the business. The revised implementation date is the end of September 2010.</p>
<p>R5. We recommend that IT management complete the IT centralisation project and develop centralised IT policies, to cover:</p> <ul style="list-style-type: none"> • Setup/modification and removal of user access for the network and applications; • Program change requirements for the application systems development process • that includes quality assurance, testing, and migration to the 'live' environment; • Software development, acquisition and implementation policy; 	<p>Steve Park</p>	<p>Work ongoing</p>	<p>End of 2010/11</p>	<p>It is anticipated that all ICT functions will be consolidated by the end of 2010-11. The consolidation of the Revenues and Benefits team has been intentionally postponed to allow time to complete the Council's Code of Connection submission, which has a heavy reliance upon the Revenues and Benefits team.</p> <p>The Security Framework – Information Security Policy currently at consultation will be followed by a series of scheduled detailed security policies.</p>

Recommendation	Responsible Officer	Recommended Implementation date	Revised date	Progress Update
<ul style="list-style-type: none"> • Virus management policy; • Firewall policy; • Data Security policy; • Domain policy (including audit policy, password policy and account lockout policy); • System backups and recovery policy; • Disaster Recovery and Business Continuity policy; and • Physical Security policy. <p>Once developed, the policies should be approved by senior management and applied across the Council.</p>				
<p>R6. We recommend that lists of access levels that require individual authorisation be identified. The list should be issued to the Service Support team for reference. This will help ensure that any separately requested</p>	Steve Park	End of June 2010	December 2010	<p>The new Active Directory (AD) currently being designed with Microsoft which is due for implementation in October 2010 will incorporate a separate template design based on roles and responsibilities following which user profiles will no longer be copied.</p> <p>Discussions with the Head of Personnel are continuing regarding how this will be implemented operationally. It is expected that this will be in place by December 2010.</p>

Recommendation	Responsible Officer	Recommended Implementation date	Revised date	Progress Update
access to systems is not copied over from the template account and that approval is properly obtained for the system as required.				
R7. We reiterate our original recommendation to implement a formal and regular process to review users and access. This should be done as a matter of priority.	Steve Park	End of June 2010	December 2010	Continuing - this is linked to the actions associated with recommendation 6 above.
R9. We recommend Management take measures to reassess the vacant roles and the ICT security requirements of the Council as soon as possible, in order to ensure that all of the required IT security roles are undertaken and achieve a clearer distinction between IT security management and IT operations.	Steve Park	July 2010	December 2010	<p>The proposed ICT structure incorporating strategic security as part of the IT Architecture Group is currently being presented to Senior Management.</p> <p>The operational security team (Access and Security Management) is now a separate team and continues to be recruited to. The Team Lead (recruited in March 2010) is now assigned permanently following the completion of other ICT projects. The Service Delivery Manager was not appointed to following advert. This is currently being fulfilled by a contract resource whilst recruitment is reviewed.</p> <p>The post of Standards Manager to ensure adherence to security and governance standards was appointed and commenced at the end of May 2010.</p> <p>The new ICT Service management structure deals with the security roles and a strategy of how these will be filled is being discussed with Corporate Personnel.</p>

Recommendation	Responsible Officer	Recommended Implementation date	Revised date	Progress Update
<p>R10. We recommend the following to be considered during further development of the Disaster Recovery Plan:</p> <ul style="list-style-type: none"> • Define a minimum acceptable recovery configuration for key businesses and systems; and • Outline a testing strategy 	Steve Park	September 2010	December 2010	<p>A site has been identified to host the data centre away from the city centre. The new data centre is a key part of the Council's ICT disaster recovery planning. The Disaster Recovery Plan will be re-issued in line with the go live of the Sharp Data Centre towards the end of 2010.</p>
<p>R12. We recommend the screensaver password be enabled within the domain security settings to enforce users to log in again after 15 minutes of inactivity.</p>	Steve Park	May 2010	September 2010	<p>Screen saver passwords to enforce valid log-in after 15 minutes are now in live 'test' with all ICT staff. Implementation to the business will commence in September 2010 following adequate testing of exclusion procedures to minimise business impact e.g. screens used for display purposes in public facing areas.</p>
<p>R14. We recommend a review of the life cycle for software licences, including their purchase, installation, reallocation and reconciliation. Although it is acceptable for different members of staff to be responsible for different licences, IT</p>	Steve Park	End of June 2010	October 2010	<p>Software Change and Configuration Management (SCCM) implementation is dependant on the implementation of the new Active Directory (AD) which is being delivered in conjunction with Microsoft. Anticipated date for Phase 1 AD is October 2010.</p> <p>The Enterprise Agreement managing the Microsoft software assets continues to be developed between Trustmarque and MCC (Contracts & Supplier Manager)</p>

Recommendation	Responsible Officer	Recommended Implementation date	Revised date	Progress Update
<p>needs to clearly establish which staff are responsible for each stage of the life cycle.</p> <p>This should be centrally documented and managed by a small number of staff. Management may also consider taking measures to restrict users to being able to install their own software. This may also coincide with the removal of local administrators.</p>				<p>Software discovery and license reconciliation will be in 2011-12 as part of the Desktop Strategy.</p> <p>Individual software licensing arrangements are being reviewed during renewal cycles by the Contracts and Supplier Manager e.g. SPSS licenses centralised rather than Directorate based resulted in a potential corporate saving of £10k – implemented Aug 2010.</p> <p>Local administrator rights continue to be reviewed and account for approximately 5% of the user base. Active Directory implementation will ensure greater control, as will the continual review of procurement and installation procedures.</p>

Report: Information Security Management 2009/10

Recommendation	Responsible Officer	Recommended Implementation date	Revised date	Progress Update
<p>R1. We recommend ICT management ensure that plans to firm up ICT governance structures are followed through, specifically the formal establishment and designation of information security responsibilities.</p>	<p>Steve Park</p>	<p>May 31 2010 Implemented - subject to sign off by Grant Thornton.</p>	<p>To be confirmed if necessary</p>	<p>The ITIM Board consisting of Senior managers from across all business areas met in May with the next meeting scheduled for September. The Board meets quarterly to discuss the Strategy and Governance of ICT across the Council.</p>

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<p>R2. We recommend ICT Management update the policies to include significant changes to the structure as well as the introduction of new technologies within ICT. We also recommend ICT and Council Management consider developing and implementing a more effective policy communication method that would educate all users on security and related risk.</p>	<p>Steve Park</p>	<p>April 2010</p>	<p>December 2010</p>	<p>An Information Security Policy Framework that contains within it a detailed Information Security Policy is awaiting final sign off before being communicated across MCC. The Information Security Policy will be presented to SMT within the next month for agreement before submission to the Executive for approval.</p>
<p>R3. We recommend that Management establishes a team for handling information security matters.</p>	<p>Steve Park</p>	<p>June 30 2010</p>	<p>October 2010</p>	<p>The proposed ICT management structure incorporating strategic security has been agreed by the Director of Transformation and will be submitted to Personnel Committee on 15 September 2010. The operational security team (Access and Security Management) continues to be recruited to. The Team Lead (recruited in March 2010) is assigned permanently following the completion of other ICT projects. The post of Standards Manager to ensure adherence to security and governance standards was appointed and commenced at the end of May 2010.</p>
<p>R4. We recommend ICT management push through with plans to</p>	<p>Steve Park</p>	<p>June 30 2010</p>	<p>October 2010</p>	<p>As for R3 and will be incorporated into Phase 1 of recruitment anticipated December 2010.</p>

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<p>formally establish the role of security compliance within the information security team and to provide a formal process to monitor internal and external network security via planned penetration testing exercises.</p>				
<p>R5. We recommend ICT Management establish a formal information security event reporting procedure which allows for security events to be reported to ICT as quickly as possible. Together with the incident reporting procedure, an incident response and escalation procedure should also be established, setting out the action to be taken on receipt of a report of an incident. Given that the original target date to acquire SCOM in December 2009 has already been delayed, interim procedures need</p>	<p>Steve Park</p>	<p>May 31 2010</p>	<p>October 2010</p>	<p>This work is ongoing and is dependent on the implementation of the Active Directory (AD) which is currently in delivery with remediation work due to be completed September 2010, followed by Phase 1 of the new AD in October 2010. The new Problem and Incident Reporting Procedure was signed off in August 2010. A Proof of Concept (POC) on network monitoring is being undertaken with our third party suppliers which will provide pro-active monitoring at an operational level with the intention to feed System Centre (SCOM) when implemented. The POC is anticipated to be live in October 2010. The Service mapping for Service Desk (ITBM) / SCCM / SCOM is currently underway and due for completion as follows: ITBM – September 2010 SCOM/SCCM – December 2010</p>

Recommendation	Responsible Officer	Recommended Implementation date	Revised date	Progress Update
to be robust to ensure all critical alerts from existing network monitoring tools flow through to the Service Desk system for timely resolution.				
<p>R6. We recommend ICT revisit security settings for account lockout and set them in line with best practices, for example, as highlighted below:</p> <ul style="list-style-type: none"> - Account lockout duration – 30 minutes - Account lockout threshold – 3 or more attempts - Reset lockout counter after – 30 minutes 	Steve Park	June 2010 (Implemented)	n/a	<p>The settings are documented within the ICT Security Policy. The policy is 5 invalid attempts invokes 'lockout' which requires release by an administrator.</p> <p>This exceeds the requirements of both the Payment Card Industry Standard (PCI) and Code of Connection (CoCo).</p>
<p>R7. We recommend Management to develop a consolidated list of audit issues and action plans to keep track of all audit commitments and to facilitate the completion of plans as agreed. There should be regular reporting of action plans to keep track of completed and ongoing activities.</p>	Steve Park	April 2010 (Implemented)	n/a	<p>Further work has been completed by ICT Services in conjunction with strategic partners Ernst & Young to deliver a more robust overview of Audit recommendations, actions, and implementation plans. ICT Programme Office ensure that projects are raised as appropriate to implement audit recommendations.</p>

Report: IT Governance 2009/10

Recommendation	Responsible Officer	Recommended Implementation date	Revised date	Progress Update
<p>R1. We recommend ICT management:</p> <ul style="list-style-type: none"> Continues with plans to formalise the Portfolio Board. While it is sensible to hold the meetings informally initially, management should identify a firm date for the first formal Portfolio Board with representatives from the Directorates involved; and Ensures the Portfolio Board is appropriately documented. This should include documented terms of reference, formal membership listing, responsibilities of the members and documented meeting minutes. 	Steve Park	May 31 2010 Implemented - subject to sign off by Grant Thornton.	To be confirmed if necessary	The ITIM (Information Technology Information management) Board consisting of Senior managers from across all business areas met in May 2010, with the next meeting scheduled for September 2010. The Board meets quarterly to discuss the Strategy and Governance of ICT across the Council. The ICT Portfolio Board meets weekly.
<p>R2. We recommend ICT management:</p> <ul style="list-style-type: none"> Continues with plans to ensure the ICT strategy 	Steve Park	Ongoing	Second stage September	The first stage of the business planning process (the self-assessment) is now complete and has been submitted. This has included an assessment of progress relating to last year's delivery plan. The second stage, in September, will address this years delivery plan, including the goal and

Recommendation	Responsible Officer	Recommended Implementation date	Revised date	Progress Update
<p>is appropriately updated and aligned with the business plan;</p> <ul style="list-style-type: none"> Develops tactical plans to achieve the goals and objectives of the ICT strategy, once it has been formally documented and approved by the Council Management Reviews the ICT portfolio of projects to ensure the portfolio supports the overall ICT strategy and the requirements of the Council. 				objectives of the ICT Strategy.
<p>R3. We recommend ICT management:</p> <ul style="list-style-type: none"> Develops a formal ICT policy to communicate the requirement for all ICT services and purchases to be routed through the ICT governance process. The policy should be formally approved by the Council and communicated to the Directorates as part of the strategy to consolidate 	Steve Park	Ongoing	April 2011	<p>Scheduled for ITIM Board in September 2010 A Project Manager was appointed in May 2010 and is continuing to deliver in this area. Project Initiation documentation has been completed and signed off. Phase 1: delivering the "Lift & Shift" of each IT team into Corporate ICT is expected to complete in December 2010. Phase 2: delivering a BPR process on all the newly moved teams to fully integrate them into Corporate ICT is expected to complete April 2011. To avoid slippage an experienced Business Analyst (BA) resource is required for phase 1. The PM is currently facilitating analysis work in the short term until a BA is identified.</p>

Recommendation	Responsible Officer	Recommended Implementation date	Revised date	Progress Update
<ul style="list-style-type: none"> Continues with the project to consolidate ICT services and personnel. 				
<p>R4. We recommend ICT management:</p> <ul style="list-style-type: none"> Formalises the ICT structure and communicate it to the ICT department. The amount of change required, for example, reorganisation of teams under Operations, will take time to embed and may be necessary before governance processes to function adequately as intended. Works with HR to determine which other avenues for advertising the open positions might be possible to attract quality ICT management to support the ICT structure. 	Steve Park	April 2010 Implemented - subject to sign off by Grant Thornton.	To be confirmed if necessary	A new management structure has now been approved by the Director of Transformation and has been submitted to Corporate Personnel for feedback. An initial meeting has been held with Personnel to discuss the approach to recruiting to the new structure.
<p>R5. We recommend ICT management continue with plans to formally introduce the Business</p>	Steve Park	July 2010 Implemented - subject to sign off by Grant Thornton.	To be confirmed if necessary	Operations Manager (Business Support) appointed, commencing September 2010. Business Leads and Client Liaison Officers are meeting regularly with the Business. The Operational Manager

Recommendation	Responsible Officer	Recommended Implementation date	Revised date	Progress Update
<p>Leads to the Directorates to establish the lines of communication into ICT and begin building relationships with the Directorates to support the consolidation strategy. Firm completion dates should be assigned to this process.</p>				<p>(Business Support) will review and ensure that all areas of the business are being addressed, and communicated with appropriately within a clear engagement plan.</p>
<p>R6. We recommend ICT management:</p> <ul style="list-style-type: none"> • Continues with plans to hold the risk management workshops with the Council. The output of this process should be a formally documented ICT risk register which is maintained by ICT and feeds into the Council's risk management process • Links the high level ICT risk register, which feeds into the overall Council risk register, to the operational risk register, both of which should be reviewed on a regular basis. 	<p>Steve Park</p>	<p>Ongoing</p>	<p>October 2010</p>	<p>The ICT Risk Register is now formally reviewed at Management Meetings and continues to be developed. Strategic partners Ernst & Young are reviewing integration of the ICT Risk register with the Corporate Risk Register. Anticipated date October 2010.</p>

Recommendation	Responsible Officer	Recommended Implementation date	Revised date	Progress Update
<p>R7. We recommend ICT management:</p> <ul style="list-style-type: none"> • Continues with plans to develop a formal set of KPIs to be monitored and reported to the Council. Once identified, the KPIs should be presented to the Council with reporting frequencies and performance targets to be formally approved • Monitors the approved KPIs regularly with results reported to the Council in the agreed timeframes 	Steve Park	July 30 2010	October 2010	<p>ICT Services is currently engaging with SOCITM to deliver benchmarking on user satisfaction with regards to the ICT Service.</p> <p>The Problem and Incident Manager reports regularly to ICT Management on outstanding actions and resolutions derived from the Problem and Incident procedure.</p> <p>Strategic partners Ernst & Young are developing in conjunction with ICT Services a 'Dashboard' by which Management and customers can review ICT performance via a suite of KPI's. Anticipated first release is October 2010.</p>

Report: Interim Accounts 2009/10

Recommendation	Responsible Officer	Recommended Implementation date	Revised date	Progress Update
<p>R1. The Council should finalise PFI related disclosures to be incorporated in the Statement of Accounts in advance of 30 June 2010 statutory deadline.</p>	Karen Gilfoy	June 2010 (Implemented)	n/a	The finalised disclosures were incorporated in the Statement of Accounts submitted to Audit Committee on 24 June.

Recommendation	Responsible Officer	Recommended Implementation date	Revised date	Progress Update
<p>R2. The Council should conclude its review of service concession arrangements and ensure SoRP compliance disclosure in advance of the 30 June 2010 statutory deadline.</p>	<p>Karen Gilfoy</p>	<p>June 2010 (Implemented)</p>	<p>n/a</p>	<p>The review of service concessions arrangements was completed prior to the submission of the accounts to Audit Committee on 24 June. No change in accounting treatment was identified.</p>
<p>R3. The Council should continue to prepare for 2010/11 IFRS restatement. Significant areas which the Council needs to complete are:</p> <ul style="list-style-type: none"> • Assessment of the accounting for property leases • Review of contracts for embedded leases. 	<p>Karen Gilfoy</p>	<p>June 2010</p>	<p>December 2010</p>	<p>The Council is continuing its preparations for 2010/11 IFRS implementation. The 2009/10 re-statement should be completed by the end of December 2010 and the first IFRS compliant accounts will be submitted to Audit Committee in June 2011.</p>
<p>R4. For all significant delegated decisions, the Council should document:</p> <ul style="list-style-type: none"> • The basis of delegating the decision under the Council's constitution • The background to the decision, and key factors to be considered including 	<p>Richard Paver/ Susan Orrell</p>	<p>August 2010</p>	<p>City Solicitor to determine</p>	<p>The City Treasurer and the City Solicitor will be reporting to SMT to remind them of the need to properly evidence decisions including consultation with Executive Members where this is appropriate.</p>

Recommendation	Responsible Officer	Recommended Implementation date	Revised date	Progress Update
<p>financial and value for money considerations</p> <ul style="list-style-type: none"> • Details of relevant legal advice supporting the decision • Formal 'sign off' by appropriate statutory officers. 				
<p>R5. Following the Penetration Test review of Internal Audit in November 2009, the Council should:</p> <ul style="list-style-type: none"> • Follow up the agreed actions reported and resolve the weaknesses identified • Purchase a vulnerability scanning tool to enable • Regular penetration testing. 	Keith Traverse	<p>DMZ – June 2010 Internal – August 2010 Network – November 2010</p>	October 2010	<p>External penetration testing is currently released for Invitation to Tender. Anticipated start date of service is September 2010.</p> <p>Internal / Network penetration testing is being released to Invitation to Tender in August 2010 with an anticipated start date of service of October 2010.</p> <p>Additional analysis work on network hardware and identifying any associated risk is currently being investigated as a proof of concept with Third Party support providers. Initial findings from POC anticipated October 2010.</p>
<p>R6. The Council should produce and document a SAP Security Policy and appoint a SAP team lead to ensure all risks are appropriately managed and controlled.</p>	Phil Burke	August 2010	End September	<p>The SAP Security Policy is now in its final stages of review and work is currently underway to collate information gathered from a number of contributory sources into the final version of the document. Once complete, the document will be submitted for 'sign-off' under MCC's SAP-governance arrangements.</p> <p>The original target date of August 2010 under-estimated the scale and range of input required to complete the document and a revised target date of end-September</p>

Recommendation	Responsible Officer	Recommended Implementation date	Revised date	Progress Update
				<p>2010 is now anticipated for completion of the Policy document.</p> <p>The Security and Access Working group (established in response to the Audit recommendation R3) continues to monitor progress in establishing an effective Security Policy as well as managing other SAP security related issues.</p>
<p>R7. Management should review user access within the network to ensure any unused access is revoked. This will minimise licensing costs and reduce the risk of unauthorised access to the Council's systems.</p>	<p>Alastair Cumming</p>	<p>Implemented - subject to sign off by Grant Thornton.</p>	<p>To be confirmed if necessary</p>	<p>Business Support have already carried out many reviews of who has access to live SAP systems as part of reviewing the SAP roles and access requirements of the Finance and HR Shared Service Centre creation. We have been carrying out a number of exercises as part of Security and Access Working Group to validate SAP users and their roles. An exercise has recently been undertaken in March 2010 to remove the SAP access of users who have not logged on to the ECC, SRM and CRM systems in SAP in 90 days. A program has been developed in house to remove the SAP access of employees processed as leavers in the HR module of SAP.</p>
<p>R8. The Council should review SAP user privileges to reduce the risk of unauthorised transactions being performed by users with full privilege rights.</p>	<p>Phil Burke</p>	<p>Implemented - subject to sign off by Grant Thornton.</p>	<p>To be confirmed if necessary</p>	<p>With the exception of the MCC Basis team, no Dialog users are assigned any of the specified SAP standard profiles that give "full privilege rights" in Production environments. Privileged access has been removed from the BASIS team's day-to-day SAP logins. In conjunction with this, additional logins (Emergency logins) have been created which, in line with new working practices, are available for use by the BASIS team but strictly in emergency circumstances only. To complement this measure, any SAP activity recorded against an Emergency login will automatically generate an entry on a Management report that is monitored by senior staff to</p>

Recommendation	Responsible Officer	Recommended Implementation date	Revised date	Progress Update
				ensure that there is no abuse of privileged access.
<p>R9. The Council should consider the following improvements to system security settings to reduce risks:</p> <ul style="list-style-type: none"> • Enable screensaver passwords to enforce valid log in after 15 to 20 minutes of inactivity • The SAP portal security settings should be configured to require Council's password rules. 	<p>Phil Burke</p> <p>Keith Traverse</p>	<p>Implemented - subject to sign off by Grant Thornton.</p>	<p>To be confirmed if necessary</p>	<p>SAP Portal security settings have been configured to match the Citrix / Network password complexity settings as closely as possible. The SAP Portal password now requires the following:</p> <ul style="list-style-type: none"> • 1 uppercase character • 1 lowercase character • 1 special character (such as !,\$,#,%) • Be 8 characters in length • User ID cannot be part of password. • Old password cannot be part of new password. <p>Implementation of Screensaver passwords on Citrix and PC is currently in final test and progressing through formal change control.</p>
<p>R10. The Council should implement actions to address previous recommendations raised in our 2008/09 SAP report and November 2009 follow up review.</p>	<p>Phil Burke</p>	<p>August 2010</p>	<p>October 2010</p>	<p>Work continues in re-modelling and implementing new SAP support roles which will remove inappropriate access to sensitive SAP transactions. In recent weeks, progress has been delayed by a necessity (previously un-anticipated) to apply SAP software upgrades. This has taken a number of weeks to complete and has prevented any role changes from being applied across the SAP landscape. A revised completion date of end-October 2010 is now anticipated for this activity.</p> <p>Access to SAP User administration functions by support</p>

Recommendation	Responsible Officer	Recommended Implementation date	Revised date	Progress Update
				<p>staff outside the SAP Security team continues to be monitored on an on-going basis - to date without issue. In relation to secure (CoCo compliant) external access to ICT systems, dual-factor authentication is currently being progressed. Orders have been placed with a Token Service provider and an Implementation Plan is currently being drawn up. In addition, a Business Impact assessment is underway to identify specific external data access requirements. Once complete, this study will inform more precisely which external users should be afforded priority in being provided with MCC-supplied access devices for external access to IT systems.</p> <p>As previously reported, SAP functionality to check password content against a table of 'common words' is not relevant to core users of SAP who only authenticate themselves against the SAP Portal which itself enforces high password strength authentication (see Recommendation R9). Only external users of the SAP E-recruitment system utilise back-end SAP passwords and the Council's proposed adoption of an alternative E-recruitment system (from supplier Tribal) was therefore expected to remove the 'common password' issue in SAP entirely. Since the last Committee update however a degree of uncertainty has emerged regarding the adoption of the Tribal system and a decision has therefore been taken to implement the 'common password' table functionality in the SAP back-end by end-September, 2010.</p>

Report: Partnership Working

Recommendation	Responsible Officer	Recommended Implementation date	Revised date	Progress Update
<p>R1.1. Agreeing the level of resources required from both organisations and the areas where the Council can most effectively provide officer input and practical assistance to the PCT</p>	<p>David Regan</p>	<p>July 2010</p>	<p>November 2010</p>	<p>A formal review of the Securing Our Shared Future (SOSF) Programme is now underway involving all stakeholders.</p> <p>The NHS White paper published on 12 July 2010 will inform the review. MCC continue to support the centralised programme function.</p>
<p>R1.2. Developing detailed project plans for work streams which overlap with services provided by the Council, i.e. Integrated Care, Children's Services, Continuing Health Care and Estates</p>	<p>Liz Bruce/ Pauline Newman</p>	<p>July 2010</p>	<p>December 2010</p>	<p>Integrate Care / Urgent Care identified as top priority by PCT & MCC</p> <p>Programme Board and Project Group established PID in development and comments awaited on draft by the SOSF Board prior to release Blueprint to be designed by December 10</p>

Recommendation	Responsible Officer	Recommended Implementation date	Revised date	Progress Update
<p>R1.4. Strengthening the link between the SOSF programme and integrated commissioning across the Council, the PCT and Practice Based Commissioners.</p>	<p>Liz Bruce</p>	<p>August 2010</p>	<p>September 2010</p>	<p>The Strategic Director delivered a presentation to SMT. The Integrated Commissioning Group met on 17 August 2010 and was tasked with developing terms of reference and identifying potential work streams by 14 September 2010.</p>
<p>R2.1. Greater involvement of officers from both organisations and discussion of strategic priorities as part of the joint planning process to ensure that potential 'planning gains' are recognised and acted on</p>	<p>Julie Connor</p>	<p>September 2010 Implemented - subject to sign off by Grant Thornton.</p>	<p>To be confirmed if necessary</p>	<p>More structured engagement now taking place, building on the Capital Development Group and Strategic Regeneration Framework Groups. New terms of reference being developed. This links to R3 below.</p>
<p>R2.2. PCT engagement with the Council on potential development opportunities, localities, adjacencies, etc. within the joint estate as part of the Transforming Community Services programme</p>	<p>Ged Devereux</p>	<p>August 2010 Implemented - subject to sign off by Grant Thornton.</p>	<p>To be confirmed if necessary</p>	<p>Primary Care Estate Task and Finish Group established (August 2010) to examine the PCT Strategic Service Development Plan and Commissioners' Investment and Asset Management Strategy reports in more detail to support TCS programme.</p>

Recommendation	Responsible Officer	Recommended Implementation date	Revised date	Progress Update
<p>R2.3. Disposal of surplus properties, more co-location and shared use of properties, better utilisation of existing properties within the joint estate and greater sharing of information such as the Council's ward mapping data.</p>	<p>Lydia Morrison</p>	<p>August 2010 Implemented - subject to sign off by Grant Thornton.</p>	<p>To be confirmed if necessary</p>	<p>Protocols for notification of accommodation requirements have now been agreed. A mapping exercise has been completed to share information on the estates. Regular meetings are being arranged to review current and future requirements.</p>
<p>R2.4. The PCT making use of the Council's Gateway process for approving and delivering large capital schemes such as new premises.</p>	<p>Julie Connor</p>	<p>July 2010</p>	<p>November 2010</p>	<p>A review of the Capital Programme including the Gateway process has commenced. Further discussions will be held with the PCT at the end of the review in late November 2010.</p>
<p>R3. The Council and PCT should consider whether there would be benefit in reinstating a more formal advisory group on estates strategy within the partnership framework in place of the Built Environment Group, or reviewing the terms of reference of the Capital Development Group to give it more focus.</p>	<p>Julie Connor / Ged Devereux</p>	<p>September 2010 Implemented - subject to sign off by Grant Thornton.</p>	<p>To be confirmed if necessary</p>	<p>More structured engagement now taking place, building on the Capital Development Group and Strategic Regeneration Framework Groups. New terms of reference being developed. This links to R2.1 above.</p>

Recommendation	Responsible Officer	Recommended Implementation date	Revised date	Progress Update
<p>R.4. The Council and the PCT's procurement functions should consider how they could work together more closely on initiatives such as:</p> <ul style="list-style-type: none"> • The development of new contracting framework agreements • Joining up procurement and commissioning at an operational level • Adopting a joint approach to carrying out formal public consultations on proposed changes to services. 	<p>Ian Brown/ Peter Hawkins</p>	<p>July 2010 Implemented - subject to sign off by Grant Thornton.</p>	<p>To be confirmed if necessary</p>	<p>Monthly one to ones have been established between Ian Brown and Peter Hawkins. There is day to day contact between Adult Services and PCT on potential joint procurement. A joint MCC/NHS review will be taking place during 2010/11 with regard to the provision of health and social care services for people with mental health – cost and quality of services provided will be reviewed.</p>

Report: SAP Utilisation June 2010

Recommendation	Responsible Officer	Recommended Implementation date	Revised date	Progress Update
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Recommendation	Responsible Officer	Recommended Implementation date	Revised date	Progress Update
<p>R1. We recommend that management conduct an exercise to formally identify costs incurred and benefits achieved from the SAP system implementation project, in order to formally identify whether value for money has been achieved. Additionally, a lessons learned analysis should be completed for reference on future projects.</p>	<p>Janet Smith</p>	<p>September 2010</p>	<p>n/a</p>	<p>In progress – examples of other post implementation reviews have been sourced and information to go into the report is being gathered. Completion by the end of September is still on track.</p>
<p>R2. Management should review all user access within the different live system areas, to ensure any unused or unnecessary access is revoked. This will minimise the risk of unauthorised access to the Council's systems, as well as increase efficiencies within the user account maintenance process and provide licensing cost savings to the Council.</p>	<p>Janet Smith</p>	<p>October 2010 Implemented - subject to sign off by Grant Thornton.</p>	<p>To be confirmed if necessary</p>	<p>Exercises have been undertaken in all live system areas to identify inactive users and access has been removed where appropriate. A revised procedure for carrying out user inactivity exercises has been documented. Regular reviews of inactive users will continue to be undertaken by SAP Business Support to ensure inactive users are removed from the system.</p>

Recommendation	Responsible Officer	Recommended Implementation date	Revised date	Progress Update
<p>R3. We support management's decision to upgrade the reporting application and the analysis performed to determine the reports required.</p>	<p>Janet Smith/Louise Crewdson/ Andy McBeath</p>	<p>November 2010</p>	<p>n/a</p>	<p>a) An exercise to review all those Business Warehouse (BW) users who haven't logged on for 90 days has been carried out. After consultation with users, access has been removed from 160 BW users who don't need it. For this task a representative from HR/Procurement and Finance change teams has each been responsible for reviewing access in their area, contacting users and arranging for access to be removed. This has been done with the support of SAP Security and Access Team – completed.</p> <p>b) Work streams will now review who has access to the reports and identify if other users would benefit from having access. Deadline 30 September 2010.</p> <p>c) Work has already started in each work stream to review BW reports.</p> <p>A BW progress sheet has been put together that lists all the BW reports that exist in production. Each work stream is to complete the sheet to update on progress against this area. This is to be discussed at the next working group on 3 September 2010.</p> <p>d) A proof of concept exercise for Budget Monitoring Report is underway. Once this has been received by the business a wider strategy for business objects will be agreed. This is on track for completion in November 2010.</p>
<p>R4. We recommend that a Change Management Policy is defined which includes the following, as a minimum: Segregation of duties;</p>	<p>Dave Ainsworth</p>	<p>December 2010</p>	<p>n/a</p>	<p>The ICT service have recently introduced a new governance process including the formation of a portfolio board as recommended by Ernst and Young . As well as this the process for change management has been reviewed and the implications for SAP change management are still being worked through including the</p>

Recommendation	Responsible Officer	Recommended Implementation date	Revised date	Progress Update
<ul style="list-style-type: none"> • Testing methodology, Impact and priority ratings • Timelines for change milestones, • Review and approval of the Change Management Policy • Monitoring and reporting change management performance. <p>Further, we recommend that a review of the revised Change Management Policy and Procedures is conducted within the suggested timescale. The policy should subsequently be reviewed on an annual basis, to ensure it is in line with the requirements of the Business.</p> <p>Following the approval of the policy, formal training should be given to all existing staff and new starters. This includes an introduction to the policy</p>				<p>revision of the SAP Business Support Board, the change request approval process and the monitoring of performance.</p>

Recommendation	Responsible Officer	Recommended Implementation date	Revised date	Progress Update
<p>and procedures as well as templates. Example templates should be made available to staff within a shared drive, for guidance. The policy will ensure consistent practices are applied for all changes within the Council.</p>				
<p>R5. We fully support management's decision to implement the automated leaver process as a matter of priority. Further, we recommend that HR communicate a list of all leavers to the SAP Security team on a monthly basis, in order to ensure all leaver access was disabled on a timely basis.</p>	Alastair Cumming	October 2010	n/a	<p>A fault with the automated program for ending SAP user access has been identified. The program is therefore currently not being run. A fix for this fault is being developed by ICT.</p> <p>An exercise will be undertaken to report on all leavers and remove any leaver access by 30 September 2010. The exercise will then be repeated on a monthly basis. Once the fault with the automated leaver program is resolved, the additional benefit of producing monthly lists of leavers will be reviewed.</p>
<p>R6. We recommend that a data cleansing exercise is conducted by management to ensure old, duplicate or redundant supplier codes are identified and removed as a matter of priority.</p>	Lol Nugent	November 2010	n/a	<p>Still awaiting the review of master data objects that need to be archived and the details on how this archiving will be achieved. However, standard reports are available from SAP to identify which vendors are in use and which are not and it is envisaged that these will be used to support the archiving process when the strategy is defined.</p> <p>The new "Vendor Create" process has been reviewed and a revised process was put into place in May 2010.</p>

Recommendation	Responsible Officer	Recommended Implementation date	Revised date	Progress Update
				The new process requires that requests for any new commercial (Trade) vendors are routed through “buyers” (procurement staff) who check whether the goods or services required can be supplied by existing, contracted, vendors and whether appropriate procurement rules have been applied when selecting these vendors. This will help to limit the number of new vendors created in the future. Complete vendor cleansing activity ongoing.
<p>R7. We fully support management’s recommendation to provide further staff training on:</p> <ul style="list-style-type: none"> • Importance of recording of Goods Received Notes within the system • Issues associated with the posting of unsupported invoices within the system. 	Janet Smith	October 2010 (Implemented)	n/a	Completed – no further action planned.
<p>R8. Management should review all outstanding debt to determine whether a portion should be written off.</p>	Lol Nugent	November 2010 Implemented - subject to sign off by Grant Thornton.	To be confirmed if necessary	With effect from September, key performance indicators on debt levels will be presented at both corporate and directorate levels for scrutiny by senior management and members. The key performance indicators for debt will be the percentage of total debt cleared in the reporting period and the percentage of “pursuable” debt over 365 days old. Publishing these figures will serve to highlight both current and historic debt collection performance. A number of write offs have been approved since the last update with a total value of £105,267.14

Recommendation	Responsible Officer	Recommended Implementation date	Revised date	Progress Update
<p>R9. We recommend that debtor days are computed and reviewed on a monthly basis to ensure old, irrecoverable debt is identified and relevant action taken, as required.</p>	<p>Lol Nugent</p>	<p>Implemented - subject to sign off by Grant Thornton.</p>	<p>To be confirmed if necessary</p>	<p>The Council has recently reviewed it's Miscellaneous Debt Recovery policy and procedures with a long term aim to ensure that debts do not age over one year before either being collected or written off. An aged debt analysis is produced each month by the Finance Shared Service Centre (SSC) and appropriate action is taken.</p>
<p>R10. We support management's decision to replace e-recruitment with software more closely in compliance with their needs.</p>	<p>Stephen Forrest</p>	<p>September 2010 Implemented - subject to sign off by Grant Thornton.</p>	<p>To be confirmed if necessary</p>	<p>Discussion on new package still taking place. External recruitment now on hold due to recruitment freeze. Cost of integration would exceed benefits to be realised. Project timeframe delayed but seen as minimal impact due to level of recruitment. Decision to upgrade SAP min 2011 may lead to SAP E-Recruitment being reconsidered as a way forward. Timeframe will not be met as business needs have changed.</p>