

Financial Services
Salisbury District Council
Bourne Hill
Salisbury, SP1 3UZ

officer to contact: Diana Melville, Chief Internal Auditor
direct line: 01722 434618

email: dmelville@salisbury.gov.uk

web: www.salisbury.gov.uk

Report

Report subject: Amendment to Statement on Internal Control

Report to: Audit Committee

Date: 20th October 2005

Author: Diana Melville

1. Background

1.1 The Statement on Internal Control is due for publication at the end of the month and the Council needs to ensure that it is current at the time of publication.

2 Current Position

2.1 The action plan has been reviewed to identify whether the actions (and timetable where appropriate) are still correct. IT Services have now advised that the date given previously in the SIC originated from a draft of the Information Management Programme PID (approved by the e-Governance Board on 13th July 2005), but incorrectly related to the production of a *Project Initiation Document* for the Information Security Project, not for the production of a Policy and Manual, the completion date which is Q3 (i.e. end-Dec 2005).

2.2 The SIC has been amended to show the new target date of 31st December 2005 and is attached as Appendix A.

3 Recommendation

3.1 The Committee is asked to approve the amendment to the Statement on Internal Control to make the deadline for completion of the IT security policy and corporate standards 31st December 2005.



Awarded in:
Housing Services
Waste and Recycling Services



SIGNIFICANT INTERNAL CONTROL ISSUES (extract from SIC)

Internal Control Issue	Proposed Action
<p>Payroll</p> <p>For much of 2004/5 and to date the operation of payroll has been undertaken by only one member of permanent staff who is also responsible for the system administration and control functions of the system. Improvements are required to avoid the dependence on a key individual and to introduce more effective management control.</p>	<p>Explore the avenues for expanding the number of people with payroll skills, including the possibility of relocating the function.</p> <p>To be completed by April 2006.</p>
<p>Risk management</p> <p>The extension of the risk management policy into operational risk areas and further management training to support it. The Risk Management Group has been tasked with taking this forward, but as at this date the work is outstanding.</p>	<p>Risk Management Group to establish operational risk registers for each unit and identify supporting training programme for middle managers</p>
<p>IT security policy & corporate standards</p> <p>Whilst many practical controls are effective in the council's corporate network and in the various application systems, the council has no IT security policy and no corporate standards or guidelines by which application systems should be managed. These are required to support the council's progress towards ISO17799 compliance as set out in the council's ICT Strategy.</p>	<p>The production of IT security policy and corporate standards will be one of the projects forming part of the Information Management Programme, for which a PID is currently in course of preparation. The Information Security Manual that will be produced as part of the project will contain guidelines by which application systems should be managed.</p> <p>To be completed by 31st December 2005.</p>
<p>Programme and project management</p> <p>This is an area that the council has sought to improve with the introduction of a new project management framework, project management training and introduction of more effective performance management mechanisms. Effective application in practice needs to be ensured to support the council's planned service improvements</p>	<p>The Council has established an overall analysis of the resource required to carry forward its integrated improvement programme. This will be developed to monitor progress, compare resources with demand and as a tool for managing projects accordingly.</p>

<p>Business continuity & disaster recovery</p> <p>This was included in the 2003/4 SIC and since then there has been progress through a detailed audit report and the commencement of work by the Risk Management Group. A report on the service priorities of the Council has been made to Cabinet. As at the date of submission of the SIC to Council satisfactory arrangements will not yet be in place.</p>	<p>Risk Management Group to establish a work programme to build on and renew the current business continuity plans to make them robust enough to deal with future risks. An interim progress report was made to the June meeting of the Cabinet, with a further report scheduled for six months thereafter.</p>
<p>Proceeds of crime act</p> <p>There is a legal duty to appoint a Money Laundering Officer, which is temporarily undertaken by the Section 151 officer. Training needs to be given to the relevant officers dealing with receipt of monies.</p>	<p>Policy to be developed as part of treasury management review to raise awareness and then training to be given to officers dealing with receipt of money.</p> <p>Policy and training programme to be completed by 31st December 2005</p>

..... **Richard Sheard (Chief Executive)**

..... **Cllr Ted Draper (Chairman of the Council)**