

Audit and Corporate Governance Committee Report



Listening Learning Leading

Report of Head of Finance

Author: William Jacobs

Tel: 01491 823326 (SODC)

Tel: 01235 540455 (VWHDC)

E-mail: william.jacobs@southandvale.gov.uk

Cabinet Member responsible: Rodney Mann

Tel: 01844 281426

E-mail: Rodney.mann@oxweb.net

To: Audit and Corporate Governance Committee

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AGENDA ITEM NO 6

Internal audit activity report quarter four 2009/2010 (Draft)

Purpose of Report

1. The purpose of this report is to summarise the outcomes of recent internal audit activity for the committee to consider. The committee is asked to review the report and the main issues arising, and seek assurance that action has been or will be taken where necessary.

Background

2. Internal Audit is an independent assurance function that primarily provides an objective opinion on the degree to which the internal control environment supports and promotes the achievements of the council's objectives. It assists the council by evaluating the adequacy of governance, risk management, controls and use of resources through its planned audit work, and recommending improvements where necessary.
3. After each audit assignment, internal audit has a duty to report to management its findings on the control environment and risk exposure, and recommend changes for improvements where applicable. Managers are responsible for considering audit reports and taking the appropriate action to address control weaknesses.
4. Assurance ratings given by internal audit indicate the following:

Full Assurance: There is a sound system of internal control designed to meet the system objectives and the controls are being consistently applied.

Satisfactory Assurance: There is basically a sound system of internal control although there are some minor weaknesses and/or there is evidence that the level of non-compliance may put some minor system objectives at risk.

Limited Assurance: There are some weaknesses in the adequacy of the internal control system which put the system objectives at risk and/or the level of non-compliance puts some of the system objectives at risk.

Nil Assurance: Control is weak leaving the system open to significant error or abuse and/or there is significant non-compliance with basic controls.

5. Each recommendation is given one of the following risk ratings:

High Risk: Fundamental control weakness for senior management action

Medium Risk: Other control weakness for local management action

Low Risk: Recommended best practice to improve overall control

Internal audit activity

6. Since the last Audit and Corporate Governance Committee meeting, the following audits have been completed:

Planned Audits

Full Assurance: 0

Satisfactory Assurance: 2

Limited Assurance: 1

Nil Assurance: 0

	Assurance Rating	No. of Recs	High Risk Recs.	No. Agreed	Medium Risk Recs.	No. Agreed	Low Risk Recs.	No. Agreed
1. Payroll	Limited	14	1	1	10	10	3	3
2. General Ledger	Satisfactory	11	0	0	6	6	5	5
3. Verification of National Indicators	Satisfactory	11	1	1	4	4	6	5

Follow Up Reviews

	Original Assurance Given	No. of Recs	Recs due to be completed at the time of the follow up audit				Later Recs
			Implemented	Partly Implemented	Not Implemented	Ongoing	
4. Internal Recharges	Satisfactory	5	5	0	0	0	0
5. Disaster Recovery	Limited	3	3	0	0	0	0
6. Emergency Planning	Limited	8	2	4	1	1	0
7. Tourism (Marketing Contract)	Satisfactory	4	3	0	0	0	1
8. Car Park Income	Limited	15	13	0	2	0	0
9. Human Resources	Satisfactory	9	3	1	4	0	1
10. Geographical Information Systems	Satisfactory	4	2	0	1	0	1
11. Cornerstone-Couture Contract	Limited	17	15	1	1	0	0
12. Oxfordshire Waste Partnership	Satisfactory	5	4	1	0	0	0
13. Post Room	Satisfactory	7	5	1	1	0	0

7. **Appendix 1** of this report sets out the key points and findings relating to the completed audits which have received limited or nil assurance, and satisfactory or full assurance reports which members have asked to be presented to committee.
8. Members of the committee are asked to seek assurance from the internal audit report and/or respective managers that the agreed actions have been or will be undertaken where necessary.
9. A copy of each report has been sent to the appropriate head of service, the relevant strategic director, the Section 151 Officer and the relevant member portfolio holder.
10. A 6 month follow up is undertaken on all non-financial audits to establish the implementation status of agreed recommendations. All key financial system recommendations are followed up as part of the annual assurance cycle.

WILLIAM JACOBS
HEAD OF FINANCE

1. PAYROLL (CLIENT and CONTRACTOR) 2009/2010

1. INTRODUCTION

- 1.1 Final issued 22 January 2010. The fieldwork for this audit was undertaken in November and December 2009.
- 1.2 This audit was carried out at the same time as an internal audit review of Payroll (Client and Contractor) at Vale of White Horse District Council (VWHDC). The results of this review have been reported separately.
- 1.3 The following areas have been covered during the course of this review:
- To ensure that roles responsibilities and authorities for payroll are appropriately documented;
 - To ensure that payroll records (electronic and paper hard copy) are secure;
 - To ensure amendments to payroll standing data are appropriately authorised, documented and actioned in a timely manner;
 - To ensure starter and leavers have appropriate authorisation, additions and deductions to pay and these are processed in a timely manner;
 - To ensure variations to pay (i.e. expenses, overtime, changes to salary), are authorised, documented and processed in a timely manner;
 - To ensure employees are paid in a timely manner;
 - To ensure payroll data is transferred between payroll, HR and finance systems in an accurate and timely manner;
 - To ensure payroll records are reconciled with the Council's establishment list and general ledger;
 - To ensure adequate management information is provided to enable the monitoring of establishment and payroll costs;
 - To ensure the contractor (CAPITA) has an adequate audit trail and authorisation procedures in place for changes to payroll; and
 - To ensure that adequate system back-up arrangements are in place to ensure business continuity.

2. BACKGROUND

- 2.1 In addition to its own payroll, since 1 February 2008 South Oxfordshire District Council (SODC) has also provided payroll services to the Vale of White Horse District Council (VWHDC), Abingdon Town Council and the Oxfordshire Youth and Arts Partnership. The current payroll system used is known as Ingenuity@Work (I@W) which is hosted by Capita and was implemented in January 2007. The system is managed through an agreement with CAPITA, who provide payroll processing services.
- 2.2 From 1st April 2009, the management structure of the Council has been revised. As a result of this restructure, the payroll team have transferred from Human Resources (HR) into Finance. Due to concern over the delivery of payroll services and corresponding control environment, the Internal Audit Manager is also acting as the Interim Payroll Manager. Following completion of improvements to payroll services and controls, responsibility for payroll will

be transferred to another manager within Finance.

- 2.3 Due to the current temporary position held by the Internal Audit Manager, the payroll audit has been completed by Mazars LLP on behalf of SODC reporting directly to the Head of Finance. Mazars provide support to SODC and VWHDC under a framework contract. All work completed was conducted by Mazars staff during November 2009.

3. PREVIOUS AUDIT REPORTS

- 3.1 Payroll was last subject to an internal audit review in May 2009 and twenty recommendations were raised. 2 High risk, 13 Medium risk and 5 Low risk. A Limited Assurance opinion was given.
- 3.2 As part of the current audit work performed, a follow up of the recommendations made in the previous report has been undertaken. Ten recommendations are seen to be implemented. Our review identified seven recommendations, which although not classified as achieved, have been reviewed since the last audit. In each of these cases, they have been included in the payroll action plan, with progress being monitored on a monthly basis. Three recommendations are considered as not implemented and covered by recommendations within the current audit and this report. Two of the recommendations which were not implemented are under discussion as part of plans to harmonise processes within payroll. The remaining issue relates to evidencing receipt and input of source documents within the payroll department.

4. 2009/2010 AUDIT ASSURANCE

- 4.1 **Limited Assurance:** There are some weaknesses in the adequacy of the internal control system which put the system objectives at risk and/or the level of non-compliance puts some of the system objectives at risk.
- 4.2 14 recommendations have been raised in this review. One High risk, ten Medium risk and three Low risk.

5. MAIN FINDINGS

- 5.1 **Roles and Responsibilities**
- 5.2 It has been identified that Payroll Client need to refine the procedure notes that are currently in use. As part of the Payroll Action Plan (PAP) which has been introduced to address payroll operational issues, the current operational procedures notes have been revised along with job roles. A detailed system process map of the payroll function has been prepared. This was identified as needing to be completed before job roles and responsibilities could be fully defined. At the time of the audit, these were at draft stage and were being distributed and discussed with payroll client staff.
- 5.3 It was noted that the actions within the PAP have not been allocated a priority reference to assist with managing workload.
- 5.4 Two recommendations have been made as a result of our work in this area.

5.5 **Secure Payroll Records**

5.6 All payroll records are maintained at the SODC site. The majority of these are stored electronically within the IAW system. A further hard copy audit trail is maintained in the payroll department. All hard copy documents are kept in secure filing cabinets within a restricted area of the office. Access to these documents is restricted to payroll and HR staff.

5.7 Electronic records are secured by passwords to allow users access to the system. In all cases users must be established users of the Council system and the payroll system, with separate passwords required to access each of these systems. However, it was noted that there is not a regular process for prompting users on the payroll system to change their passwords.

5.8 One recommendation has been made as a result of our work in this area.

5.9 **Amendments to Standing Data**

5.10 From a sample of 20 standard contract changes and 40 deductions tested, the documentation of changes to payroll details appear to be adequate and there are independent checks included in the review process of data input into the payroll system.

5.11 The testing undertaken on changes to standing data did not identify any issues of non compliance with Council policy, with all amendments being authorised and supported by an adequate audit trail. An issue was identified during the testing of one amendment not having the payroll grid stamp fully completed. However, this issue is not isolated to the testing performed in this area, but was recurrent in all testing.

5.12 One recommendation has been made as a result of our work in this area.

5.13 **Starters and Leavers**

5.14 Procedures are in place covering the process for recording and processing starters and leavers within the payroll system. Testing identified that in 1 out of the 5 cases selected, a request to recruit form could not be located.

5.15 As a result of this issue, a further 5 cases were reviewed and all were found to have adequate supporting documentation. It was noted that in the case identified ancillary evidence was made available to confirm the authorisation of the starter in question.

5.16 One recommendation has been made as a result of our work in this area.

5.17 **Variations to Pay**

5.18 Testing was undertaken on variations to pay to ensure they were appropriately calculated, authorised and supported by an appropriate audit trail. Whilst the majority of variations were found to be correctly calculated and paid, some errors were identified. For example, one of three maternity payments tested was found to be incorrectly calculated; and two of twenty Councillor expenses tested were found to be arithmetically incorrect, which resulted in an overpayment and underpayment respectively.

- 5.19 From testing performed it was identified that the Council do not require receipts to be submitted for all expense claims, which although in line with HMRC guidance is not considered best practice, particularly in the light of recent media coverage of MP expenses. It was also identified when reviewing mileage claims that the Council do not require annual confirmation that claimants hold business insurance.
- 5.20 In addition, it was identified that Payroll receive different input forms from SODC and VWHDC, and these could be harmonised.
- 5.21 Five recommendations have been made as a result of our work in this area.
- 5.22 **Timely Payment**
- 5.23 The Payroll department have a cut off date of the 3rd working day of each month to submit changes to payroll. To ensure payments are made in a timely manner, payroll use a checklist to ensure all processes and checks are completed by the payment deadline.
- 5.24 Capita provide detailed reports which are then reviewed and authorised before the final payment is sent. All dates are communicated to the HR department to ensure they are aware of the required timescales.
- 5.25 It was noted that Payroll Client undertakes a 100% check on variances over £20 between the monthly payrolls. It is Internal Audit's opinion that this does not provide sufficient assurance.
- 5.26 One recommendation has been made as a result of our work in this area.
- 5.27 **Data Transfer**
- 5.28 The Council use I@W as the payroll system, which is maintained independently from the general ledger and HR system. There is therefore no automated transfer of data between systems.
- 5.29 Capita are responsible for uploading the payroll data into Agresso (General Ledger). Our sample testing did not identify any issues with data transfer.
- 5.30 No recommendations have been made as a result of our work in this area.
- 5.31 **Reconciliations**
- 5.32 Reconciliations between the information recorded in the HR system and the payroll system are conducted twice a year to ensure all data is matched and no ghost records exist. Reconciliations are also performed between dummy and final runs to ensure all data is accurate.
- 5.33 Payroll transactions within the General Ledger are reconciled by Finance, with clear documentation and assignment of ownership. This information is communicated to payroll on a monthly basis with a collaborative effort undertaken to resolve any issues.
- 5.34 No recommendations have been made as a result of our work in this area.

5.35 Management Information

5.36 The payroll budget is agreed as part of the annual budget setting process at the Council. This is drawn up by the Interim Payroll Manager and the Head of Finance. This is then submitted to and approved by the Council.

5.37 Performance against budget is monitored on a monthly basis by Accountancy, who liaise with the Interim Payroll Manager. Reasons for significant variances are documented on the budget monitoring spreadsheet. A separate spreadsheet is maintained which shows the expected outturn on the budget based on actual expenditure to date.

5.38 No recommendations have been made as a result of our work in this area.

5.39 CAPITA

5.40 Capita do not maintain significant records in respect of payroll as they do not input data. All Capita processes are subject to periodic spot checks by team managers and Capita are regularly subject to ISO Quality Audits to review their procedures.

5.41 Our review examined the contract between the Council and Capita and found that there is no Strategic Level Agreement covering the provision of payroll. As a result it was noted that the Council incur significant costs for the provision of basic services.

5.42 One recommendation has been made as a result of our work in this area.

5.43 System Back-up Arrangements

5.44 The Council have an overall Business Continuity Plan in place which is designed to ensure the provision of key services in the event of a number of critical situations. This plan assigns key responsibility for developing and implementing these plans to a service level. Following the management restructure, payroll is no longer included in a specific service plan.

5.45 The Crisis Management Plan was also reviewed, which identifies key system requirements to provide key services. The listing of systems in this plan does not specifically mention the payroll system.

5.46 Two recommendations have been made as a result of our work in this area.

OBSERVATIONS AND RECOMMENDATIONS

ROLES AND RESPONSIBILITIES

1. Client Procedure Notes

(Medium Risk)

Recommendation	Rationale	Responsibility
The operational notes for the input of data should be refined into formal procedure notes for the	<u>Best Practice</u> Formal procedure notes are in place that will ensure continuity in the case of staff absence.	Payroll Supervisor

<p>department. These should be distributed to all staff involved in the preparation of payroll functions.</p>	<p><u>Findings</u> Internal Audit noted that while there are operational notes on the input of data, there are no formal procedure notes for the payroll department. These are currently in development with the format to be agreed. This is included in the payroll action plan, with progress being monitored on a regular basis within the Council.</p> <p><u>Risk</u> The resilience of the payroll process cannot be assured in the event of staff loss/illness. Inconsistent practices may be applied within the payroll team.</p>	
Management Response		Implementation Date
<p>Recommendation is Agreed The Payroll Action Plan includes an action to draft a comprehensive payroll procedure manual that will address this.</p> <p>Management Response: Payroll Project Lead</p>		31 March 2010

2. Payroll Action Plan

(Medium Risk)

Recommendation	Rationale	Responsibility
<p>The issues identified in the Payroll Action Plan should be given a priority allocation to reflect the relevance these have to the organisation.</p> <p>In assessing the priority allocation, consideration should be given to the time constraints imposed on the Payroll Project Lead, the relevance of the recommendations to payroll function, the internal control environment and the impact on external assessments.</p>	<p><u>Best Practice</u> Actions are prioritised, ensuring that the issues which are of greatest importance are addressed on a timely basis.</p> <p><u>Findings</u> Internal Audit noted that the organisation have in place a Payroll Action Plan, which is a listing of the issues which require amendment or follow up in the payroll processes or system. Progress on resolving these issues are monitored on a monthly basis. At present, no priority has been attached to these actions.</p> <p><u>Risk</u> Progress may not be achieved on those recommendations which reflect the best value and key significance to the organisation.</p>	Payroll Project Lead
Management Response		Implementation Date
<p>Recommendation is Agreed Management Response: Payroll Project Lead</p>		31 January 2010

SECURE PAYROLL RECORDS

3. Security of Payroll System

(Medium Risk)

Recommendation	Rationale	Responsibility
The system administrator should be contacted to enquire if regular password changes on payroll systems could be enforced. Best practice would require the system to prompt changes, with repetitions being disallowed.	<p><u>Best Practice</u> Passwords are changed on a regular basis to ensure the integrity of the system.</p> <p><u>Findings</u> Internal Audit noted that I@W does not require that passwords are changed on a regular basis. It is Internal Audit's understanding that passwords have not been changed since users were setup on the system.</p> <p><u>Risk</u> If passwords are not regularly changed, the integrity and security of the system may be compromised.</p>	Capita Contract Manager
Management Response		Implementation Date
<p>Recommendation is Agreed The system can be set to force a regular password change if this is requested by the Council.</p> <p>Management Response: Capita Contract Manager</p>		31 March 2010

AMENDMENTS TO STANDING DATA

4. Payroll Audit Trail

(Low Risk)

Recommendation	Rationale	Responsibility
All payroll client staff should be reminded of the need to grid stamp all forms received and to fully complete this at the varying stages of application.	<p><u>Best Practice</u> All forms are grid stamped to provide an adequate timeframe for data entry and audit trail.</p> <p><u>Findings</u> During testing it was identified that not all documents presented to Finance/Payroll were marked with the grid stamp and in a number of cases, the grid stamp was not fully completed.</p> <p><u>Risk</u> Incomplete audit trail. Payroll staff may be unable to substantiate when changes were received and input.</p>	Payroll Supervisor

Management Response	Implementation Date
Recommendation is Agreed Management Response: Payroll Supervisor	Implemented

STARTERS AND LEAVERS

5. Retention of Supporting Documentation

(Low Risk)

Recommendation	Rationale	Responsibility
All non casual staff positions should be supported by a request to recruit form.	<p><u>Best Practice</u> All paperwork is filed on a timely basis.</p> <p><u>Findings</u> During sample testing of five starters, one instance was identified where there was no supporting request to recruit form on file. Ancillary evidence was provided to confirm this was a bona fide appointment.</p> <p><u>Risk</u> Incomplete audit trail, and/or an unauthorised started could be set up on the system.</p>	HR Manager
Management Response	Implementation Date	
Recommendation is Agreed All starters regardless of their employment status should have the appropriate level of authorisation to be added to the payroll system. This is currently via a paper form but as work progresses on harmonising the South and Vale HR Pro systems and implementing new starter workflows this authorisation should be electronic. Management Response: HR Manager	31 January 2010	

VARIATIONS TO PAY

6. Review of Calculations

(Medium Risk)

Recommendation	Rationale	Responsibility
All maternity calculations should be reviewed prior to payment. It is understood that responsibility for the calculation of maternity pay will be transferred to Payroll from either December 2009 or January 2010 following a trial	<p><u>Best Practice</u> An adequate review process is in place to ensure accurate payments are made.</p> <p><u>Findings</u> In maternity testing of a sample of three, we noted that one maternity pay calculation had been incorrectly calculated by HR. This resulted in an underpayment to the employee of £29.86 per week.</p>	Payroll Supervisor

of a new methodology.	<u>Risk</u> The Council may incur unnecessary financial costs and/or be subject to staff complaint.	
Management Response		Implementation Date
Recommendation is Agreed The revised Maternity Calculators require the calculations to be signed when checked prior to payment. Management Response: Payroll Project Lead		01 January 2010

7. Supporting Documentation for Expense Claims

(Low Risk)

Recommendation	Rationale	Responsibility
Staff should be encouraged to submit receipts with all expense claims.	<u>Best Practice</u> All expense forms are supported by receipts. <u>Findings</u> Internal Audit noted during testing of 40 mileage and expense claims, two mileage claims were not supported by receipts. <u>Risk</u> While this is in line with guidance issued from HMRC, this is not best practice and the ability to independently verify claims/audit trail is weakened.	Payroll Supervisor to send e-mail.
Management Response		Implementation Date
Recommendation is Agreed Reminder e-mail to be sent to all Heads of Service. Management Response: Payroll Project Lead		31 January 2010

8. Review of Calculations

(Medium Risk)

Recommendation	Rationale	Responsibility
All expense forms should be checked for arithmetic accuracy before payment.	<u>Best Practice</u> An adequate review process is in place to ensure accurate payments are made. <u>Findings</u> From sample testing of 20 claims it was identified that two councillor expense claims had been calculated incorrectly. This resulted in one overpayment of £180.60 and one underpayment of £6.00. <u>Risk</u>	Payroll Supervisor

	Council may be incurring unnecessary costs.	
Management Response		Implementation Date
Recommendation is Agreed Management Response: Payroll Project Lead		31 January 2010

9. Insurance

(Medium Risk)

Recommendation	Rationale	Responsibility
<p>A corporate policy should be devised to:</p> <p>A) Require that service managers obtain confirmation on an annual basis that employees are adequately insured for business purposes, are in vehicles with a valid MOT and are in possession of a valid driving licence.</p> <p>B) Employees should be required to declare that they are adequately insured when submitting expense claims.</p>	<p><u>Best Practice</u> Employees are documented annually as being adequately insured in road legal vehicles when conducting travel for Council business purposes.</p> <p><u>Findings</u> We noted that employees are not required to provide annual confirmation that they retain insurance for business purposes.</p> <p><u>Risk</u> Employees may be driving on Council business when not adequately insured, which may expose the Council to legal action.</p>	
Management Response		Implementation Date
Recommendation is Agreed This will be addressed in the harmonised driving at work policy for both councils. Management Response: HR Manager		30 June 2010

10. Harmonising of Payroll Input Forms

(Medium Risk)

Recommendation	Rationale	Responsibility
<p>Until such time as automatic interfaces from HR are established, consideration should be given to adopting a common format for input forms to payroll.</p>	<p><u>Best Practice</u> Best practice would be to create a standard set of payroll input forms which would be used at both VWHDC and SODC.</p> <p><u>Findings</u> During testing it was noted that</p>	Payroll Project Lead

	<p>VWHDC and SODC use different payroll forms for most input to the payroll system. It was noted that in future payroll are to trial receiving this information electronically from each HR department, subject to the resolution of a technical server issue at VWHDC.</p> <p><u>Risk</u> The current system is inefficient in the use of payroll staff time and may lead to confusion amongst staff.</p>	
Management Response		Implementation Date
<p>Recommendation is Agreed</p> <p>Management Response: Payroll Project Lead</p>		31 March 2010

TIMELY PAYMENT

11. Monitoring Monthly Pay

(Medium Risk)

Recommendation	Rationale	Responsibility
<p>Consideration should be given to using an audit trail report and agreeing all changes. This could be split between salary and expenses to easily identify anomalies. Alternatively, permanent and temporary changes should be analysed separately to provide greater assurance.</p>	<p><u>Best Practice</u> Variance analysis is completed on salary and expenses separately ensuring variances are suitably investigated and explained.</p> <p><u>Findings</u> Internal Audit noted that a 100% check of variances over £20 between the monthly payrolls is carried out. This has been identified as not providing sufficient assurance over changes to payroll. As part of the payroll action plan, it has been identified that an audit trail for temporary inputs may be produced.</p> <p><u>Risk</u> A standard monetary amount does not provide adequate assurance over the integrity of the payroll. The benefit of this check is further reduced by the presence of expense payments in each payroll run.</p>	Payroll Project Lead
Management Response		Implementation Date
<p>Recommendation is Agreed in Principle This is included in the payroll action plan to address.</p> <p>Management Response: Payroll Project Lead</p>		28 February 2010

CAPITA

12. Capita Service Level Agreement

(High Risk)

Recommendation	Rationale	Responsibility
<p>The Council should ensure that the Service Level Agreement (SLA) currently under preparation is implemented as soon as possible. This should include specific monitoring arrangements and measurable service standards for payroll.</p>	<p><u>Best Practice</u> A detailed service level agreement is in place setting out the roles of each organisation, with service standards for payroll included.</p> <p><u>Findings</u> The current contract between the Council and Capita is extremely limited in detail of the payroll service to be provided and effective monitoring arrangements. This has been identified as a key requirement for the Council in the payroll action plan.</p> <p><u>Risk</u> The Council may not be achieving value for money in the provision of payroll services by Capita. There is little recourse against poor or inefficient service.</p>	<p>Payroll Project Lead</p>
Management Response		Implementation Date
<p>Recommendation is Agreed This is included in the payroll action plan to address.</p> <p>Management Response: Payroll Project Lead</p>		<p>31 March 2010</p>

SYSTEM BACK UP ARRANGEMENTS

13. Business Continuity Plans

(Medium Risk)

Recommendation	Rationale	Responsibility
<p>The business continuity plan for Finance should be updated to include a provision for the payroll service.</p>	<p><u>Best Practice</u> Payroll is covered by a service specific business continuity plan.</p> <p><u>Findings</u> Internal Audit noted that with the recent change in management structure, payroll is not included in either the HR or the Finance Business Continuity Plan.</p> <p><u>Risk</u> The Council may fail to deliver key payroll services in the event of an emergency/incident occurring</p>	<p>Corporate Risk Officer</p>

Management Response	Implementation Date
<p>Recommendation is Agreed</p> <p>We are currently in the process of harmonising our business continuity arrangements with VWHDC. We cannot update the plans until Cabinet have approved the Business Continuity Strategy. The strategy is going to Audit and Corporate Governance Committee on 15 December and then onto Cabinet on 4 February 2010. We have already created a business continuity plan template which is common to both councils and will commence the updating of plans in March 2010.</p> <p>Management Response: Corporate Risk Officer</p>	31 May 2010

14. Business Continuity Planning

(Medium Risk)

Recommendation	Rationale	Responsibility
<p>The Crisis Management Plan should be revised to specifically list the financial information systems required including payroll.</p>	<p><u>Best Practice</u> The Payroll system is given sufficient priority in a crisis.</p> <p><u>Findings</u> Internal Audit noted that the crisis management plan does not identify the payroll service as a key IT system for inclusion offsite in the event of a crisis. The current version includes financial information systems, however, there is some uncertainty as to which systems this includes.</p> <p><u>Risk</u> The Council may fail to deliver key payroll services in the event of an emergency.</p>	Corporate Risk Officer
Management Response	Implementation Date	
<p>Recommendation is Agreed</p> <p>We are currently in the process of harmonising our business continuity arrangements with VWHDC. We cannot update the 'crisis management plan' until Cabinet have approved the Business Continuity Strategy. The strategy is going to Audit and Corporate Governance Committee on 15 December and then onto Cabinet on 4 February 2010. We have already created a 'crisis management plan' template which is common to both councils and will commence the updating of plans in March 2010.</p> <p>Management Response: Corporate Risk Officer</p>	31 May 2010	