



DERBY CITY COUNCIL

**AUDIT AND ACCOUNTS
COMMITTEE
5 APRIL 2007**

ITEM 5

Report of the Head of Audit and
Risk Management

UPDATE ON CALLED IN AUDITS

RECOMMENDATION

- 1.1 To note the report.

SUPPORTING INFORMATION

- 2.1 The call in system is having an excellent impact in engaging managers in the audit process and is certainly making them more accountable and focussing their efforts in implementing audit recommendations.
- 2.2 However, to reduce the number of progress reports to the Committee on each individual called in audit report, a change of process has been agreed with the Chair and Vice-Chair. The next stage following the call in by the Committee, will be for the Committee to recommend to the relevant Cabinet Member for them to keep the audit recommendations and action plan under review until the action plan and all recommendations have been delivered. The Head of Audit and Risk Management will keep the Committee updated on outstanding issues.

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Background papers: None

List of appendices: Appendix 1 – Implications
Appendix 2 – Update on Called In Audits

IMPLICATIONS

Financial

1. None directly arising.

Legal

2. None directly arising.

Personnel

3. None directly arising.

Equalities impact

4. None directly arising.

Corporate objectives and priorities for change

5. None directly arising.

1. EMPLOYMENT AGENCY CONTRACT

Progress against the original Audit recommendations has been achieved, although there are several issues where further improvements have been identified and implemented.

The expenditure through the Comensura contract is in line with original estimates of £2.5 million that was issued in the tender documentation. The Council's share of cost savings has already reached £86,266 so far and should reach £92,252 for the full year 2006/7.

Auto-authorisations have decreased each month since October (451 instances). In February there were 164 instances. This is still too high and the auto-approval facility will be switched off with effect from 1 April 2007.

Too many orders were being placed through the service centre rather than on-line and Comensura has contacted managers using the telephone system to offer support to use the on-line system with the aim to drive up use to 70% by the end of March 2007. By the end of February 2007, use of the system had increased to 60%.

The latest communication for managers was released on 23 February 2007 and carried the resolution from the Audit and Accounts Committee that it is not an option to go outside the contract for temporary staff and that the contract is being monitored. It also informed managers of the end of the auto-authorisation facility and the consequences of not approving timesheets along with the offer of training to make sure they fully understand how to approve timesheets.

2. IT SITE SECURITY

The audit report highlighted a number of areas of concern around the locations and associated environmental and access controls where critical IT equipment is housed in Council buildings.

At the last meeting we identified a number of short term, medium term and longer term actions required to address the concerns of the audit.

The table below gives the latest position on the actions identified:

Original Timescale	Total number of actions	Complete	Part Complete	Outstanding
Short Term (February 07)	9	8	1	0
Medium Term (April 07)	5	2	3	0
Longer Term No specific date	4	1	0	3

Key points

The short term and medium term actions have now been completed or partially completed.

For the short term items, the partially completed action is for buildings where we are not the owners (Norman House and St Peters House) and where we are waiting for responses from the agents or building work is being carried out.

For the medium term items, we are waiting for the outcomes to reviews covering UPS provision, and standby air conditioning options. We also need to put together a funding bid for the work to carry out the air conditioning survey, where estimates to do the work are coming out at around £10K.

There are some other funding issues to be addressed, mainly for the remote monitoring of environmental conditions into buildings management systems. This works out at around £3K per site.

The outstanding actions for St Peters House are awaiting completion of some structural changes to the existing server room. The room is being partitioned with a dedicated server room being set up. This will allow appropriate environmental and access controls to be set up once the alterations have been completed.

3. IT DISASTER RECOVERY

We now have in place a mobile disaster recovery service based on providing a minimum core service which can be up and running within 24 – 48 hours of any major disaster. This minimum service covers the following areas:

- Core network logon including firewall and security, desktop and access to personal storage. In essence, access to network and domain services. This also will include e-mail
- Systems to pay people, and covering core social care. In essence Payroll (Vision), Revenues and Benefits, Financial systems (currently CODAS), and

- Social Services systems Swift, and Electronic and Social Care Records (ESCR) including Citrix
- Telephony servers located at Mallard

In essence, this solution covers all critical systems and services.

Longer term we are looking at initiatives around partnership working and shared services. With this in mind, we have had discussions with the East Midlands Regional Centre of Excellence and they have indicated that they would consider making the provision of a shared/joint DR service across the East Midlands as one of their major work streams over the next few years.

This would seem a sensible approach as any DR service is about providing back up systems and services, redundant until required, duplicated across many local authorities and partner organisations. There must be areas here for savings by taking a shared approach to the provision of such services.

We also intend to pick up on the longer term provision of DR services as part of the IT facilities management contract re-tender process.

4. MARKETS - CAR PARK INCOME

At the meeting on 25 October 2006, Committee requested that the Chief Estates Officer contacted the landlords of the Eagle Centre in respect of the Eagle Centre market loading bay parking. Committee questioned whether the Council's charging policy could be re-considered. As Westfield are entitled to 50% of all net income from parking, the Chief Estates Officer has contacted them but they have stated that they are not willing to forego their share of the car parking income.