

**TITLE OF REPORT: ITEM REFERRED FROM FINANCE, AUDIT AND RISK COMMITTEE: 22 MARCH 2017 – DATA PROTECTION AND FREEDOM OF INFORMATION MATTERS**

*The following is an extract from the Draft Minutes of the Finance, Audit and Risk Committee meeting held on 22 March 2017.*

**75. SHARED INTERNAL AUDIT SERVICES – UPDATE ON PROGRESS AGAINST THE 2016/17 AUDIT PLAN**

The Audit Manager (SIAS) presented an update report on progress against the 2016/17 Audit Plan.

The Audit Manager advised that the report set out the final SIAS update for 2016/17 and was indicative of the year end position against the approved Audit Plan. As the Head of Assurance had outlined at the December 2016 meeting of the Committee, SIAS had faced a number of significant resource challenges throughout the year which had impacted on service delivery. This was reflected in the below target outcomes against the performance indicators.

The Audit Manager reported that the current position against the two Key Performance Indicators was that 84% of billable days had been delivered against a target of 95% and that 66% of audits had been delivered to draft report stage against a target of 95%.

The Audit Manager stated that, since submission of the report, SIAS had issued Treasury Management and Grants draft reports and had finalised reports on the IT Asset Management, Main Accounting Systems and Housing Benefits and Rent Allowances audits, all of which had been given an overall assurance level of substantial. SIAS had moved into the fieldwork stage in respect of the Use of Consultants and Prevent audits.

The Audit Manager advised that calculations based on current workloads indicated that final SIAS performance for NHDC for 2016/17 was likely to be in the region of 90% of billable days delivered and 80% of reports delivered to draft stage. To achieve this, SIAS would be aiming to issue draft reports on the Council Tax, NNDR, Payroll and Contract Management audits, and to finalise all reports currently at draft stage.

The Audit Manager explained that, as a consequence of the above situation, SIAS would be carrying forward a higher level of work into 2017/18 than in previous years. The six pieces of work to be carried forward were the Contractors, Green Space Strategy and Risk Management audits (due to SIAS resource issues) and the Careline, Hitchin Town Hall and Appraisal Audits (due to lack of client availability or requests for a deferral into 2017/18).

The Audit Manager commented that the Head of Assurance was confident that sufficient work would be completed in 2016/17 for him to issue an assurance statement for NHDC, with his opinion based on completed work and relevant fieldwork.

The Committee debated the two High Priority Audit recommendations in respect of Data Protection and Freedom of Information. Concern was expressed with the current practice used by some Members of the auto forwarding of e-mails to personal e-mail addresses, as this was contrary to the Public Sector Network requirements necessary to comply with the Cabinet Office standards, could lead to Data Protection breaches, and was contrary to the IT Information Security Policy, to which all Members had signed up. It was agreed that this matter be referred to Cabinet for action, and that auto forwarding would cease on a date agreed by the Cabinet.

The Committee further agreed that Cabinet should be requested to ensure that all Members of the Council registered themselves with the Information Commissioner's Office (ICO) as Data Controllers, which could be done on behalf of councillors by the Council's IT Manager, and that all Members be urged to undertake the Data Protection e-learning module on the Council's Learning Management System.

**RESOLVED:**

- (1) That the Internal Audit Progress Report for the period to 4 March 2017 be noted; and
- (2) That the implementation status of high priority recommendations be noted.

**RECOMMENDED TO CABINET:** That, in respect of the two High Priority Audit recommendations relating to Data Protection and Freedom of Information:

- (1) The current practice used by some Members of the auto forwarding of e-mails to personal e-mail addresses be discontinued, and be ceased on a date set by the Cabinet;
- (2) All Members of the Council register either themselves, or with assistance from the IT Manager, with the Information Commissioner's Office (ICO) as Data Controllers; and
- (3) All Members be urged to undertake the Data Protection e-learning module on the Council's Learning Management System.

**REASON FOR DECISION:** To allow the Committee to review, comment and challenge the current status of the Internal Audit Plan.