



devon **audit** partnership

Internal Audit Report

Data Security and
Residential / Nursing
Commissioning updates
further to Follow Up
Report on Areas
Requiring Improvement

Devon County Council

November 2017

OFFICIAL



Auditing for achievement

Devon Audit Partnership

The Devon Audit Partnership has been formed under a joint committee arrangement comprising of Plymouth, Torbay and Devon councils. We aim to be recognised as a high quality internal audit service in the public sector. We work with our partners by providing a professional internal audit service that will assist them in meeting their challenges, managing their risks and achieving their goals. In carrying out our work we are required to comply with the Public Sector Internal Audit Standards along with other best practice and professional standards.

The Partnership is committed to providing high quality, professional customer services to all; if you have any comments or suggestions on our service, processes or standards, the Head of Partnership would be pleased to receive them at robert.hutchins@devonaudit.gov.uk

Confidentiality and Disclosure Clause

This report is protectively marked in accordance with the government security classifications . It is accepted that issues raised may well need to be discussed with other officers within the Council, the report itself should only be copied/circulated/disclosed to anyone outside of the organisation in line with the organisation's disclosure policies.

This report is prepared for the organisation's use. We can take no responsibility to any third party for any reliance they might place upon it

Introduction

Report CT/17/69 'Follow Up Report on Areas Requiring Improvement' was presented to the Audit Committee on 14th September 2017 and provided an updated audit assurance opinion as at 31st August 2017 on each of the audit reviews where an assurance opinion of 'Improvements Required' had been given as at 31st March 2017 (as detailed within the Annual Internal Audit Report (CT/17/63) presented to Audit Committee on 30th June 2017).

The minutes from the Audit Committee of 14th September 2017 stated that with regard Report CT/17/69:-

'Members expressed concern about the lack of progress in terms of addressing issues relating to data security and residential / nursing commissioning arrangements. Officers advised that the data security issue did not represent a fundamental weakness, but it was being monitored closely and if the situation did not improve a report would be brought back to this Committee.

RESOLVED

(a) That an update on residential / nursing arrangements be included on the agenda for the next meeting of the Committee.

This report provides Members with an update regarding the two audit reviews 'Data Security - NPS Follow Up' and 'Residential / Nursing Commissioning Arrangements' both of which were reported with an Amber Direction of Travel.

Action / Progress since September 2017 Audit Committee

The table below details the current position relating to each audit review.

Risk Area	Commentary and residual risk
Data Security - NPS Follow Up	<p>All outstanding issues and concerns have now been highlighted to NPS as part of the ten year review process. The auditor responsible for the follow-up review has contributed to one of the meetings held with senior NPS representatives so that there was no ambiguity as to what concerns still existed.</p> <p>NPS has responded by providing initial evidence that not only has penetration testing of the Comino 2 solution been undertaken, but that NPS has undertaken steps in order to gain "Cyber Essentials Plus" accreditation. This accreditation allows an organisation to demonstrate that they have achieved a fundamental level of cyber security and provides the Council with some further assurance that baseline operational processes are now sound.</p> <p>Internal Audit are to liaise with the Property Maintenance and Compliance Manager in order to endeavour to be able to return an opinion of 'Good Standard'.</p>
Residential / Nursing Commissioning Arrangements	<p>Since the time of this audit a Care Homes Contract and Fee Model Review has been completed which will change processes and is due to be introduced April 2018. As a result some previous</p>

	<p>actions are no longer applicable. Of those that remain, all actions have been agreed and where possible are being incorporated into the new Care Homes Contract and Fee Model. This will include improved guidance for staff and training which will be completed prior to April 2018. Financial reporting will also be addressed to ensure finances are monitored effectively.</p> <p>Market sufficiency and resources continue to prove challenging. Thus resources will focus on dealing with new cases or clients requiring urgent attention and re-assessments may continue to be delayed.</p> <p>An audit of the new processes following the introduction of the new Care Homes Contract and Fee Model will be considered for the audit plan 2018/19, where we will be able to further report on progress.</p>
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Assurance Statement

Our assurance opinion remains as reported in our Annual Audit Report 2016/17 as 'significant assurance'.

Robert Hutchins
Head of Audit Partnership

Definitions of Audit Assurance Opinion Levels

Assurance	Definition
High Standard.	The system and controls in place adequately mitigate exposure to the risks identified. The system is being adhered to and substantial reliance can be placed upon the procedures in place. We have made only minor recommendations aimed at further enhancing already sound procedures.
Good Standard.	The systems and controls generally mitigate the risk identified but a few weaknesses have been identified and / or mitigating controls may not be fully applied. There are no significant matters arising from the audit and the recommendations made serve to strengthen what are mainly reliable procedures.
Improvements required.	In our opinion there are a number of instances where controls and procedures do not adequately mitigate the risks identified. Existing procedures need to be improved in order to ensure that they are fully reliable. Recommendations have been made to ensure that organisational objectives are not put at risk.
Fundamental Weaknesses Identified.	The risks identified are not being controlled and there is an increased likelihood that risks could occur. The matters arising from the audit are sufficiently significant to place doubt on the reliability of the procedures reviewed, to an extent that the objectives and / or resources of the Council may be at risk, and the ability to deliver the service may be adversely affected. Implementation of the recommendations made is a priority.

Definition of Recommendation Priority

Priority	Definitions
High	A significant finding. A key control is absent or is being compromised; if not acted upon this could result in high exposure to risk. Failure to address could result in internal or external responsibilities and obligations not being met.
Medium	Control arrangements not operating as required resulting in a moderate exposure to risk. This could result in minor disruption of service, undetected errors or inefficiencies in service provision. Important recommendations made to improve internal control arrangements and manage identified risks.
Low	Low risk issues, minor system compliance concerns or process inefficiencies where benefit would be gained from improving arrangements. Management should review, make changes if considered necessary or formally agree to accept the risks. These issues may be dealt with outside of the formal report during the course of the audit.

Confidentiality under the Government Security Classifications

Marking	Definitions
Official	The majority of information that is created or processed by the public sector. This includes routine business operations and services, some of which could have damaging consequences if lost, stolen or published in the media, but are not subject to a heightened threat profile.
Secret	Very sensitive information that justifies heightened protective measures to defend against determined and highly capable threat actors. For example, where compromise could seriously damage military capabilities, international relations or the investigation of serious organised crime.
Top Secret	The most sensitive information requiring the highest levels of protection from the most serious threats. For example, where compromise could cause widespread loss of life or else threaten the security or economic wellbeing of the country or friendly nations.