

DRAFT
Colchester Borough Council
Annual Governance Statement – Action Plan for 2016/17

Significant Internal Control Issues – Relating to 2015/16 Financial Year

No.	Issue	Action	Due Date	Responsible Officer	How this Issue was Identified
1.	Payroll The internal audit review of the payroll function identified two areas for improvement: <ul style="list-style-type: none"> • The process for approving new system users needs to be formalised and segregated – currently the main system user also sets up new users, and • Exception reports and the payroll run authorisation should be reviewed by an officer independent to the process. 	From 31 March 2016 the payroll process has been moved to a new system. The system supplier is running the payroll service on a bureau basis for the first six months. The recommendations from the audit will be included in the new processes being developed and will be fully implemented when the Council resumes full control of the function.	01 October 2016	Head of Professional Services	Internal Audit review
2.	Contract Management The internal audit review of the contract management process identified several areas for improvement: <ul style="list-style-type: none"> • Review and update of the procurement strategy and contract register. • Guidance needs to be updated and made available. • Evidence and review of tender exercises that are carried out. • Updating of preferred supplier details • Completion and retention of quotation details • Shared electronic record keeping. 	The recommendations made in the report have been accepted and work has already started on developing corporate procedures, to ensure that all services manage contracts appropriately.	31 December 2016	Head of Corporate & Financial Management	Internal Audit review

Appendix 2

No.	Issue	Action	Due Date	Responsible Officer	How this Issue was Identified
3.	Revenues & Benefits System The internal audit review of the revenues and benefits system identified several areas for improvement: <ul style="list-style-type: none"> • Classification process for data • Reviewing of security violation reports • Documentation of processes and testing • Backup arrangements and testing • Development of a disaster recovery plan including recovery times • Supplier arrangement for breaches of the SLA. 	Work is ongoing with the IT recommendations and the service is working in collaboration with the Computer Audit Manager, to ensure that the control environment is effective.	31 December 2016	Head of Corporate & Financial Management /Head of Customer Services	Internal Audit review
4.	Data Protection During the year there were two instances where the Council had to inform the Data Commissioner that personal data had not been appropriately managed. On both occasions this was as a result of actions of third party contractors, not failures of Council processes. On both occasions the Data Commissioner considered that no action needed to be taken against the Council, however the Council has a duty to ensure its data is appropriately protected at all times.	A review will be undertaken to assess contracts where customer details need to be shared with suppliers. A formal protocol for data handling by third parties will be introduced and all identified suppliers will be required to sign it.	31 December 2016	Head of Corporate & Financial Management	Governance Review Process