

COMMITTEE	<b>AUDIT COMMITTEE</b>
DATE	<b>1 DECEMBER 2015</b>
TITLE	<b>REPORT OF THE CONTROLS IMPROVEMENT WORKING GROUP</b>
PURPOSE OF THE REPORT	<b>TO REPORT ON THE MEETING HELD ON 12 NOVEMBER 2015</b>
AUTHOR	<b>JOHN PUGHE ROBERTS, CHAIR OF THE AUDIT COMMITTEE</b>
ACTION	<b>TO ACCEPT THE REPORT AND CONSIDER THE RECOMMENDATIONS</b>

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## **1. INTRODUCTION**

1.1 The executive summaries of 8 reports were submitted to the meeting of the Audit Committee held on 24 September 2015, which were reports that were issued between the period 1 July 2015 and 11 September 2015. 2 of these reports had been given a 'C' opinion.

## **2. MEETING OF THE WORKING GROUP**

2.1 A meeting of the Working Group was held on 12 November 2015 with the Chairman of the Audit Committee and Councillors Angela Russell and Tom Ellis, and Luned Fôn Jones, Audit Manager present. Councillor Peredur Jenkins, the Cabinet Member (Resources) was also invited to the meeting of the Working Group to discuss the report 'Charges on Properties of Home Residents'.

2.2 The reports that the Working Group addressed were:

<b>TITLE</b>	<b>DEPARTMENT</b>	<b>SERVICE</b>	<b>OPINION</b>
Removing Leavers from IT Systems	Corporate		C
Charges on Properties of Home Residents	Adults, Health and Wellbeing	Residential and Day	C

2.3 Officers attended to discuss the reports.

## 2.4 Removing Leavers from IT Systems

### 2.4.1 The main finding of the audit were as follows:

*There is no official document for the arrangements of removing officers' rights from IT systems/the Council's network. However, the document 'Human Resources Information Security Standards', formed in 2009, is available on the Council's intranet. The document notes the importance of the need to revoke workers' access if there is any change in their employment i.e. "Termination of employment may be due to resignation, change of role, suspension or the end of a contract or project." as the Council holds much personal data and restricted information. The policy also refers to external employees. In line with the policy, it is the responsibility of Line Managers to notify the Helpdesk of new users, changes in roles, and any terminations relating to access to IT systems. Also, the Helpdesk will inform the administrator of relevant systems that users' rights needed to be terminated. This is not an official document.*

*A report identifying officers who had left the Council's employment during the last year was checked against reports noting a sample of users of the Council's Information Technology systems. It was seen that several officers continue to have access rights to the systems although they have left the Council's employment.*

*Some administrators have their own arrangements to check users who have access to the systems. They do not receive a request to terminate rights in every case. If they find that an officer has changed posts or no longer works for the Council, they will revoke the rights. Also, it is possible for some administrators to check the user's 'last login', with their own arrangements of revoking the rights if they have not logged in to the system within the past six months / a year.*

*The IT Service has arrangements to identify accounts that are not used i.e. accounts that do not log in to the network. This usually occurs as the officer has left the Council's employment but the IT Unit has not received notification of this. This is also undertaken in cases of long-term absences e.g. illness, maternity period, unpaid leave. A report of disabled accounts was received, and it was seen that some of the accounts had been disabled since 2005 - these accounts should have been deleted in line with the process. It was explained that the process of creating such reports is arduous and takes officers' time away from other work.*

*In addition, a report noting external employees who still held accounts on the Council's network was received. These employees have access to the Council's Information Technology systems. At present, there are 353 active accounts for external employees. These employees do not have payroll numbers as they are not employed by the Council, and therefore there is no way of knowing whether they have left the Council in the same manner as usual employees. It is dependent on the line managers/relevant officers to notify the Council that these employees no longer require access. This does not happen in all cases.*

*Although arrangements are in place, it emerged that many managers were not aware that they had to notify the relevant officers of the need to amend employees' rights where necessary. The procedure was unclear, and they had not been notified of the procedure. Also, it is believed that there is an element of duplication in the 'New User' forms when using these to notify about a 'change of post', as the form needs to be completed with all details e.g. payroll number, national insurance number for officers already in Council employment, although the Council has this information as they are internal employees. Another issue that was highlighted was that former officers from one department who remained in the Council's employment continued to have access to confidential files.*

- 2.4.2 Huw Ynyr, Senior Manager – Information Technology and Business Transformation and Richard Gwyn Jones, Security Engineer, Information Technology Service, Finance were welcomed to the meeting.
- 2.4.3 The Audit Manager provided the background of the report. She explained that the audit was included in the audit plan due to the importance of ensuring that access to the Council's systems are revoked when officers leave the Council's employment or move to another job within the Council. It was emphasised that the Information Technology Service does not have control over the various systems in operation by the Council's services but that they are responsible for restricting access to the network following receipt of instruction that a member of staff has left the Council's employment.
- 2.4.4 The Senior Manager – Information Technology and Business Transformation explained that weaknesses exist in procedures which are beyond the control of the IT Service. It was explained that the Support Services, Corporate Support commence the termination process when a termination form is sent to the Payroll and Information Technology Services but there is no instruction to remove users' systems accounts.
- 2.4.5 The Senior Manager – Information Technology and Business Transformation explained that systems connected with the 'Active Directory' such as 'Raise' are more secure than other systems. To gain access to these other systems it would require an user to hack into the Council's network and that is deemed as a low risk. It was explained that 'Active Directory' is a means to mitigate risks and that the Service is currently reviewing the 'Manager Plus' software but that there is an annual revenue cost of £3,000 for this solution. It was explained that 'ADManagerPlus' can trace out all inactive, disabled, account-expired users and computers in Active Directory therefore it would be possible to delete, disable, enable or move these accounts to cleanup the Active Directory effectively and efficiently.
- 2.4.6 It was asked why there was such a high number of external users with access to the network. The Senior Manager – Information Technology and Business Transformation explained that many of these users had been established as they provide system support and would require access if a problem exist. It was explained that it was optional to close the account following a predetermined period and that this would be a manner to mitigate the risk.

- 2.4.7 A member enquired what were the procedures if a member of staff was on long term sick leave. The Senior Manager – Information Technology and Business transformation explained that the current system has the ability to identify periods of inactivity prior to deleting any user account. As a rule, the decision is made to change the status of an account to inactive rather than to delete the account, as there is a possibility of loss of information when an account is deleted.
- 2.4.8 The Security Engineer explained the procedure when an officer moves to a new post within the Council by stating that the IT Service will delete all access/permissions of the previous post and re-start. This covers their permissions for the use of USB, specific websites etc. But that it does not include access to systems such as the financial ledger or the payroll system
- 2.4.9 The Senior Manager – Information Technology and Business Transformation stated that the Council should consider assets (e.g. mobile phones, tablets, laptops) when an officer terminates employment in addition to keys, identity cards etc, and that prescribed procedures should exist when an employee terminates employment with the Council.
- 2.4.10 Following a discussion on the possibility of establishing an asset register for individuals, the Cabinet Member (Resources) suggested that the Audit Committee commission an audit of this area.
- 2.4.11 The Audit Manager enquired if the Information Technology Service will have arrangements established by quarter 1, 2016/17. The Senior Manager – Information Technology and Business Transformation confirmed that procedures will be in hand and the Audit Manager stated that a follow-up audit will be conducted at the end of quarter 1, financial year 2016-17.
- 2.4.12 The Senior Manager – Information Technology and Business Transformation and the Security Engineer were thanked for attending the meeting and explaining the action that was underway to mitigate the risks of unauthorised access to the Council’s systems.**

## 2.5 Charges on Properties of Home Residents

### 2.5.1 The main finding of the audit were as follows:

*Ideally, the Council will make every effort to propose a deferred payment contract to residents as a first point of call, so that the Council has permission to place legal charges on the property. If the individual or representative does not agree, or ignores the proposal and refuses to make payments for the care they receive, then the Council can place a charge on the property without permission to do so by using the HASSASSA Act (Health and Social Services and Social Security Adjudications Act 1983).*

*The Council has a duty to secure a placement for the individual in either a residential or nursing home, therefore the Council will start paying for the care without confirmation that the resident is eligible for financial support. Delays in conducting financial assessments and checking the information can lead to further delay before a contract can be established, and in the meantime a substantial debt can accrue. Therefore, the Council does not offer the contract to residents, but rather it was seen (as part of the 'Assets of Residents of Homes' audit, March 2015) that HASSASSA is used as soon as possible as there is no other way of safeguarding the debt during the time it takes to undertake assessments.*

*It is clear that the root of the debts is the residents' or their next of kin's inability or unwillingness to pay the contributions. It was felt that a basic problem in most cases was the difficulties that the Business Service experienced in trying to receive responses for information from the residents' next of kin. It is clear that the Service has attempted to recover the debts, either through phone conversations or by sending letters to the relevant individuals, but that contacting a client's representative - whether or not they have Power of Attorney - proved difficult.*

*As well as the Business Service, the Income and Legal Services are part of the process of recovering the debts. It was seen that there is no established collaboration strategy, and as a result it is unclear who has ownership for the various debts at any given time or who is accountable for them. Given the evidence, it is felt that the debt accrues to a significant sum before specific steps are taken to recover it, as the time taken to respond to enquiries between officers or a third party is quite long in some cases.*

*In general, it is clear that the complexity and sensitivity of the field in question places considerable pressure on the Business Service as it seeks to manage and recover the numerous debts at hand, which are all different in nature. Without a specific strategy in terms of collaboration between the services (Business, Income and Legal), there is no clear ownership or accountability. It is considered that the possibility that the benefits gained from succeeding to recover the debts would outweigh the costs of establishing the strategies. Also, it was found that there were minor errors in documents, including some letters that were sent externally, that could have contributed to increasing the time taken to recover the debts.*

- 2.5.2 Dafydd Tudur Jones, Finance Resource Manager, Adults, Health and Wellbeing was welcomed to the meeting.
- 2.5.3 The Audit Manager explained that the audit was conducted following a request made by the Cabinet Member (Resources) to investigate the period of time it takes to place a legal charge on the property of individuals who receive care in residential homes. This derives from the total amount of debts associated with residents that are written-off.
- 2.5.4 The Cabinet Member (Resources) explained that the matter came to light following a meeting with the Head of Finance to write-off debts and the fact that a substantial number of debts are written-off on an annual basis. The Cabinet Member stated that the audit opinion corresponds to his original concerns.
- 2.5.5 The Finance Resource Manager provided background to the charging for residential and nursing care and also the policy for non-residential services, e.e. home care. He explained that the CRAG guidelines - Charging for Residential Accommodation Guide provides the basis for the Council's charges and that the current weekly cost for residential care in Gwynedd is approximately £585 per week and therefore it is no surprise that debts accumulate quickly.
- 2.5.6 The Cabinet Member (Resources) stated that the process of negotiating a legal charge can be time consuming which requires a proper procedure. The Finance Resource Manager agreed with comment and proceeded to explain the steps taken since the report was released.
- 2.5.7 The Finance Resource Manager explained that better arrangements have now been established between the Income Section, Legal and the Income and Welfare Unit and that arrangements are in progress to formalise procedures and that the lack of co-operation and communication between the units in the past resulted in many problems. He stated that the first meeting was to be held on 18 November 2015 and that meeting will then be held on a monthly basis to discuss specific cases and to maintain focus on the area of work and promote cross-departmental co-operation.
- 2.5.8 **The Finance Resource Manager was thanked for attending the meeting and for providing clear answers explaining the processes and arrangements, and for outlining the proposed actions to improve internal controls and strengthen procedures.**