



AUDIT COMMITTEE

25 April 2012

Subject Heading:

Oracle Follow Up

Report Author and contact details:

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Policy context:

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To advise the Committee on progress to
implement the recommendations from the
Oracle on Demand audit.

Financial summary:

N/A

The subject matter of this report deals with the following Council Objectives

Clean, safe and green borough	X
Excellence in education and learning	X
Opportunities for all through economic, social and cultural activity	X
Value and enhance the life of every individual	X
High customer satisfaction and a stable council tax	X

SUMMARY

Good progress has been made to address the issues and implement recommendations raised by the Oracle on Demand audit report.

Of the 24 Medium priority recommendations 19 have been implemented.

Appendix 1 contains a summary of the outcome of the follow up.

The assurance provided to management remains at 'Limited' but by June 2012 could be 'Substantial' if the actions are completed as currently planned.

An update will be included as part of the Annual Internal Audit Report to be presented at the June Meeting.

RECOMMENDATIONS

1. To note the contents of the report.
2. To raise questions for management regarding progress.

REPORT DETAIL

In September 2011 an audit of the Oracle on Demand system commenced. The objective of the audit was to provide assurance regarding the internal controls within the Oracle system which had been implemented in April 2011. The audit focused on the modules for Accounts Payable, Accounts Receivable and Payroll but also considered general access and security controls for the system.

The audit reviewed the following key risk areas:

- Application Management and Governance;
- System Security;
- Interface Controls and Data Flow;
- Data Input Controls;
- Output Controls;
- Change Control;
- System Resilience & Recovery; and
- Support Arrangements.

As a result of the audit 24 medium priority recommendations were raised and a 'Limited Assurance' was provided to management. All recommendations were agreed at the time of issuing the final report and deadlines for all were prior to 31st March 2012.

The management summary for this audit was presented to Audit Committee in February 2012 as part of the Internal Audit progress report. Members requested an update regarding this report due to the number of recommendations that had been raised.

In March 2012 a formal follow up of the audit was completed and progress against all actions was reviewed. Where actions had been completed by management evidence to support this was gathered.

Appendix 1 details that outcome of the follow up work.

The results are also summarised below:

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- 19 recommendations have been completed at the time of the follow up (1, 3, 4, 5, 6, 8, 9, 10, 11, 12, 13, 14, 15, 16, 18, 19, 20, 21, 22);
- 3 recommendations were in progress with extended implementation dates identified (2, 23 and 24); and
- 2 recommendations will be considered as part of wider projects (7 and 17).

The follow up indicates that good progress has been made in implementing recommendations and therefore addressing the risks identified by the original audit. It is also acknowledged that the resources tasked with addressing the control weaknesses are also heavily involved with other activity related to the Internal Shared Service Programme and all resources have also been subject to restructures since the original report was issued.

Due to the nature of the outstanding actions the assurance provided from the audit work remains at 'Limited Assurance', however if actions are completed in line with revised deadlines then by June 2012 a 'Substantial Assurance' rating is achievable.

Further follow up work will be completed in June 2012.

IMPLICATIONS AND RISKS

Financial implications and risks:

None directly arising from this report, managers have the opportunity of commenting on audit recommendations before they are finalised. In accepting audit recommendations, the managers are obligated to consider financial risks and costs associated with the implications of the recommendations. Resources to follow up audit work are included within the annual audit plan and provided within existing budgets.

Legal implications and risks:

None arising directly from this report

Human Resources implications and risks:

None arising directly from this report

Equalities implications and risks:

None arising directly from this report

BACKGROUND PAPERS

None