

Internal Audit reports identifying significant risk or 'of concern':

Mobile Phones

AUDIT COMMITTEE

Date: 26th January 2009

Author: Head of Internal Audit

Wards Affected: None

Purpose

Members requested that at least one individual audit report be presented to each meeting of the Committee. This report should be one that has been classified as being of 'significant risk' or 'of concern', if one had been issued since the previous meeting of the Committee. If not, then a report would be selected in liaison with the Chair of the Audit Committee.

Recommendation

- It is recommended that the contents of the report be noted.

1 Reasons

- 1.1 The Council's Audit Committee has a strategic role to ensure that the Council's assurance framework is operating effectively. To this end it should seek assurance that key areas that contribute to this framework are operating properly.
- 1.2 Internal Audit's terms of reference require that at least one individual audit report be submitted to each meeting of the Committee.
- 1.3 The Chair of the Audit Committee requested that the report on Mobile Phones be brought to the next committee meeting.

2 Detail

- 2.1 A copy of the report on the internal audit review of Mobile Phones procedures is attached as Appendix 1. The report was finalised in December 2009 and an overall risk assessment of 'Of Concern' was given.
- 2.2 The key recommendations made in the report to achieve the improvements required include:
 - A significant number of key system controls to prevent possible fraud and corruption, wastage and misuse of mobile phones are absent. In addition recommendations made in the audit report from March 2006 have not been implemented.
 - Managers are severely compromised, as they are unable to manage and monitor mobile phone and data usage or charges. A means of providing

Internal Audit reports identifying significant risk or 'of concern':

Mobile Phones

AUDIT COMMITTEE

Date: 26th January 2009

managers with an on-line bill approval process for their service area should be evaluated and where possible implemented.

- Premium lines should be barred; justification for international calls should be established. Monitoring should be conducted to identify any potential misuse of Council mobile phones in line with the corporate mobile phone policy.
- Formal procedures should be introduced for the informing of lost/stolen mobile phones ensuring that the relevant budget holder is informed at all times that a phone has been lost or stolen.
- A standard and consistent process should be established to ensure that there is a central record of all equipment issued to officers including mobile phones. The mobile phone inventory should be reviewed and updated to ensure that all mobile phones and SIM cards owned by the Council can be fully accounted for. The inventory should include mobile phones at SCS. There must be an effective process to trigger recovery of all mobile phone equipment from staff leaving the employ of the Council or where SIM cards are no longer required for traffic light systems etc.
- A full review should be conducted of the agreement in place with Vodafone for the provision of Internet usage via 3G SIM card. The Council should establish if they are getting value for money in this area and whether other options of achieving cost savings on Internet usage are available.

- 2.3 It should be noted that responsibility for Mobile Phones has changed from when the previous audit was carried out i.e. it was previously with the IT Telecoms Officer but now resides with the Head of ICT.
- 2.4 The above audit report and management update are submitted for Members consideration. The Group Director: Business Transformation and/or the Head of ICT will be at the Audit Committee to answer any questions Members may have.

Alternative Options

Not Applicable

Internal Audit reports identifying significant risk or 'of concern':

Mobile Phones

AUDIT COMMITTEE

Date: 26th January 2009

Risk Management

Financial and Procurement Implications

There are no direct financial implications arising from this report however the detailed audit report address the suitability of internal controls within the systems examined.

Legal/Human Rights Implications

Internal Audit is a statutory requirement of the Accounts and Audit Regulations 2006. The Internal Audit service also provides assurance to the Director of Finance regarding the requirements of Section 151 of the Local Government Act 1972.

Links to Corporate Plans and Policies (in particular to Swindon 2010 Promises)

Internal Control, Audit Committee and the Annual Governance Statement all feature significantly in the CAA Use of Resources Assessment. Effective systems of internal control within the Council will help to ensure that the objectives set out in the Corporate Plan and Swindon 2010 are achieved.

Consultees

The Director of Finance (Section 151 Officer) and the Director of Law and Democratic Services (Monitoring Officer) are consulted on all reports.

Head of ICT

Appendices / Background papers

Appendix 1 – Internal Audit Report: Mobile Phones

Key Decision/Decision in Forward Plan

Not Applicable