



**Internal Audit Report**

FINAL

Customer Services Department

**Review of ICO Follow Up**

February 2011

## **1 INTRODUCTION**

This report has been prepared as a result of the Internal Audit review of the ICO Follow Up within the Customer Services Department, as part of the 2010/11 Audit programme

In 2009, the UK Information Commissioner's Office (ICO) conducted a review to establish the extent to which the Council was compliant with the Data Protection Act 1998 (DPA). A number of recommendations were made which, if implemented, would move the Council from non-compliant to compliant status.

In April 2010, Internal Audit conducted a review to establish the extent to which these recommendations had been implemented. Internal Audit identified six issues raised by the ICO on which further action was required by the Council to secure compliance with the DPA.

The ICO also conducted a follow up review in May 2010. The majority of the findings were the same as those in the Internal Audit follow up report, although the two reports took a different view of how to assess compliance. The ICO measured compliance in accordance with basic DPA principles whereas Internal Audit measured compliance by the extent to which the measures deemed necessary for compliance by the ICO in their original report had been implemented.

This report is intended to cover those issues raised by the ICO in 2009, and is primarily concerned with compliance with Data Protection legislation. There are occasional references to the Freedom of Information Act and these reflect observations made by the ICO or the linking of those two issues in some of the Council's processes. Nothing in this report covers the findings and recommendations made by the Scottish Information Commissioner following an inspection by him in September 2010.

## **2 AUDIT SCOPE AND OBJECTIVES**

The overall objective of this review will be to examine the extent to which the six issues identified in the April 2010 report have now been addressed.

The broad objectives of the review were:

- To ensure progress is being made in carrying out the actions required
- To obtain documentation to evidence the actions carried out
- To ensure actions not yet addressed are noted and new completion dates are obtained
- To prepare a report that outlines the current situation in respect of progress made by management in addressing the issues raised by the ICO

### **3 RISK ASSESSMENT**

As part of the audit process and in conjunction with our Systems Based Auditing, ICQ approach, the risk register was reviewed to identify any areas that needed to be included within the audit.

It was noted that the risk of non compliance with the DPA is part of a wider service risk which also covers freedom of information (and the regulation of investigatory powers). The risk resides within Governance and Law. Information issues are increasingly being devolved to the relevant departments and consideration should be given to disaggregating this risk both in terms of the extent of its content and the department(s) responsible for managing it.

### **4 CORPORATE GOVERNANCE**

There are no Corporate Governance issues to be reported as a result of this audit.

### **5 MAIN FINDINGS**

All of the compliance recommendations made by the ICO have now been addressed although several may not be fully implemented until early in the next financial year.

### **6 RECOMMENDATIONS**

Three recommendations were identified as a result of the audit, all of which are classed as low priority. The recommendations are shown in the action plan attached at Appendix 2.

Internal Audit considers that, in an effort to improve the quality of information, monitoring and control, the recommendations should be implemented in accordance with the agreed action plan. Management have set achievable implementation dates and will be required to provide reasons to the Audit Committee for failure to implement within the agreed timescale. Where management decides not to implement recommendations it must evaluate and accept the risks associated with that decision.

A system of grading audit findings, which have resulted in an action, has been adopted in order that the significance of the findings can be ascertained. Each finding is classified as high, medium or low. The definitions of each classification is set out below:-

**High** - major observations on high level controls and other important internal controls. Significant matters relating to factors critical to the success of the objectives of the system. The weakness may therefore give rise to loss or error;

**Medium** - observations on less important internal controls, improvements to the efficiency and effectiveness of controls which will assist in meeting the objectives of the system and items which could be significant in the future. The weakness is not necessarily great, but the risk of error would be significantly reduced if it were rectified;

**Low** - minor recommendations to improve the efficiency and effectiveness of controls, one-off items subsequently corrected. The weakness does not appear to affect the ability of the system to meet its objectives in any significant way.

## 7 AUDIT OPINION

Based on the findings we can conclude that reasonable progress has been made towards full compliance with the DPA. There are issues which will not be addressed until the completion of an Administration Review but these reflect matters of good practice and do not impact on the Council's approach to compliance with the Act.

Recommendations arising from the audit work should be implemented by the nominated responsible officer within the agreed timescale. Recommendations not implemented will require explanation to the Audit Committee. This could lead to findings being reported in the Internal Control Statement produced by the Council in support of the Annual Accounts.

## 8 ACKNOWLEDGEMENTS

Thanks are due to the Governance Manager and the Data Protection and Information Security Administrator for their co-operation and assistance during the Audit and the preparation of the report and action plan.

Argyll & Bute Council's Internal Audit section has prepared this report. Our work was limited to the objectives in section 2. We cannot be held responsible or liable if information material to our task was withheld or concealed from us, or misrepresented to us.

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