



INTERNAL AUDIT FINAL REPORT

CHIEF EXECUTIVES

FOLLOW UP REVIEW OF THE LEAVERS PROCESS

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FOLLOW UP REVIEW OF THE LEAVERS PROCESS 2020/21

INTRODUCTION

1. The review of Starters and Leavers was part of the 2018-19 Internal Audit Plan agreed by the Section 151 Officer and Audit Sub-Committee. The Final Report, issued on the 30th September 2019 identified one priority 1 finding, four priority 2 findings and one priority 3 finding. The audit opinion was limited assurance. One of the priority 2 recommendations related to the induction checklist for starters, the remaining recommendations all related to the leavers process; for all appropriate departments to be notified when an officer was leaving the Authority (Priority 1), removing system access, termination of the security pass, revision to the leavers procedures to reflect current practices (Priority 2's) and completion and retention of the leavers checklist (Priority 3).
2. The findings identified during the 2019 audit review would collectively be remedied if managers complied with the agreed leavers procedures. Management response to the recommendations and specifically the priority 1 finding, set out an IT solution which would comprise a single online movement form as part of the new version of SharePoint to be rolled out in 2020. This form will allow all interested parties and relevant departments to be notified that an officer is leaving the Authority. The primary recipients would be HR, Payroll and IT but there is also a need for Facilities Management (security pass and parking) and the Exchequer Services Contractor (purchase card and Accounts Payable - authorised signatories) to also be informed.
3. The priority 1 recommendation has been followed up for each cycle of the Audit Sub Committee. The update to committee considered progress to implement the SharePoint online form but also completed sample testing of leavers for compliance with the current procedures and primarily to evidence that the system access has been disabled. For the November 2020 and March 2021 updates the sample testing was extended to the collection of LBB equipment and recovery of security passes. During this audit testing there have been areas of concern identified that fell outside the scope of a priority 1 follow up for committee but need to be reported and considered by management. The purpose of this follow up report is to highlight those areas of concern.
4. The report to the Audit Sub Committee on the 9th March 2021 set out the revised timetable to roll out the SharePoint online form in May 2021 and that audit testing identified leavers that were still active on the system. The priority 1 recommendation would therefore remain open until the June committee meeting by which time the new online form will be active and the effectiveness can be measured by audit testing.

FOLLOW UP REVIEW OF THE LEAVERS PROCESS 2020/21

AUDIT OPINION

5. Our overall audit opinion, number and rating of recommendations are as follows.

AUDIT OPINION	
Limited Assurance	(Definitions of the audit assurance level and recommendation ratings can be found in Appendix B)

Number of recommendations by risk rating		
Priority 1	Priority 2	Priority 3
0	4	0

SUMMARY OF FINDINGS

6. The findings and recommendations raised in the Final Internal Audit report September 2019 were accepted by management. The responsibility to deliver the priority 1 recommendation was shared between the Assistant Director & SIRO, IT services for the IT solution (SharePoint online form) and the Head of HR Business Services, Systems and Rewards for the interim leavers process.
7. The first update to Audit Sub Committee was in October 2019; as with all audit reports, Members were advised of the audit opinion for Starters and Leavers, the number and rating of the recommendations and a summary of our findings. The minutes of this meeting show that Members debated the responsibility of completing the leavers form and that it should rest with the

FOLLOW UP REVIEW OF THE LEAVERS PROCESS 2020/21

manager and there was a suggestion that compliance to the leavers process be part of a manager's appraisal. Members were concerned that the findings posed a security risk and serious implications for the Council if leavers were left with access to LBB systems. Members concluded that as an urgent and serious matter, a referral should be made from the Audit Sub Committee elsewhere for further discussion and action and it was agreed the referral should be to the Chief Executive.

8. The update to Audit Sub Committee in February 2020 reported that the timescale for implementing the online leaving form to notify all relevant departments when an officer was due to leave the Authority had been set for the end of March 2020. There were 27 leavers (Bromley officers) for the period 1/12/2019 to 31/1/2020, audit testing identified that 11 accounts had not been disabled, the account was still active on the system after the officer had left the Authority. The details of these accounts were sent to IT for comment and confirmation that the accounts had been disabled.
9. The update to Audit Sub Committee in July 2020 concentrated on the approval of the Change Control Notice (CNN) and the start date of the 16th June 2020 to develop the online leaver forms as part of the new SharePoint initiative. Audit followed up on the 11 active accounts identified previously and established that IT would need to liaise with HR before disabling the accounts.
10. Given the results of audit testing for previous committee updates, Internal Audit extended the testing for the November 2020 Audit Sub Committee. A sample of leavers (10 agency and 10 LBB officers) was selected from a leavers report for the period April to September 2020. The target date for the online form had been put back again to the end of November 2020, it was therefore imperative that the current leavers procedures were followed in the interim. The primary objective of the audit testing was to establish if the officer's account had been disabled when they left the Authority; the IT Contractor, Operational Team confirmed the status of each account. Internal Audit checked the sample to both Outlook and Skype to establish information displayed and phoned the respective line managers to discuss how the leaving process was followed specifically the collection of laptops, LBB equipment and the security pass.
11. The results of this latest audit testing, reported to Committee, identified that managers were not completing the workforce amendment form to disable the account. Interviews with managers evidenced greater compliance to the leaver's procedures for the collection of LBB issued equipment and recovery of security passes and it was acknowledged that the current COVID pandemic did present challenges.

FOLLOW UP REVIEW OF THE LEAVERS PROCESS 2020/21

12. Issues arising from this testing, not included in the Committee report but to be considered by management are as follows: -
- For two of the agency leavers their line managers had not completed their work force amendment forms assuming that as the assignment had come to an end their access to the system would also end. Managers need to be reminded that if an officer is set up by your service the manager must arrange termination of that access.
 - One of the agency officers ended an assignment in Early Years and moved to a new assignment in Libraries but there was no confirmation that the access pass was changed to reflect the new role and although the officer retained access to Outlook and therefore remained “active” the access to Children specific systems should have been removed.
 - One of the LBB leavers had been on the apprenticeship scheme. The service assumed that HR with their oversight of the Apprenticeship scheme would complete the work force amendment when the placement ended. Managers need to be reminded of their responsibility to complete the leavers process, where there is perceived overlap the service manager should confirm that process is actioned.
 - HR have issued a monthly report of LBB officers to the Exchequer Services Contractor to allow the Purchase Card Team to update their records and reconcile to active cardholders and authorisers. The Purchase Card Team share this information with colleagues in the Accounts Payable Team in respect of the authorised signatures list. The list of agency leavers is not distributed to the Exchequer Services Contractor, given that only LBB officers can hold a purchasing card however, agency staff can be authorising officers so there is a potential gap in information available to Accounts Payable.
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13. Following discussion at CLT on the 20/10/20 the Chief Executive directed that a list of all leavers be sent to each Directorate and advised that the leavers process must be completed by 23/10/20; IT would disable all accounts still active for leavers after this deadline. This exercise did prompt significant activity to review and close accounts particularly those that had remained open at the request of the line manager.
14. The Head of Audit and Assurance presented an update to the Managers Briefing on the 4th February 2021 to outline the need for all managers to comply to the leavers process and alert managers to the audit testing that would be completed prior to the Audit Sub Committee in March 2021.

FOLLOW UP REVIEW OF THE LEAVERS PROCESS 2020/21

15. For the update to the March 2021 Audit Sub Committee where 5 agency and 5 LBB leavers were subject to repeat testing which was still not fully compliant, other issues arose from this testing which was not included in committee report, as it had not yet been reported to Management for comment and factual accuracy established. The issues are as follows: -
- For one LBB leaver the account had been left as active to allow business continuity. The leaver was the only officer who had access to an old legacy system that is still used. The team were using the username and password of their former colleague whilst IT seek to resolve access. Active status for this leaver is not an oversight but the principle of sharing a username and password does mitigate access controls.
 - One agency officer had sadly passed away in January 2021, the responsible line manager should have completed the leavers process but this officer (agency) left the Authority with a weeks' notice and had not completed the workforce amendment. It is acknowledged that the recovery and collection of LBB equipment will need to be completed sensitively and safely. Although not part of the audit sample, it was noted that the line manager (agency) had not been removed from the system and access was still active. The Head of Service had kept this account open as the individual was still assisting the service on specific tasks. This individual has no contractual arrangement for the period after the termination of service date, i.e. they were not on the Council's payroll or an open agency assignment. The Authority's liability for this individual acting on behalf of the Authority during this period outside of any employment contract should be considered.
 - For two of the agency leavers the end date shown on the agency report (leavers December 2020 and January 2021) showed an end date of 23/12/20 and 25/12/20 but their actual leaving dates were May and July 2020 respectively. Neither line managers were aware that the end date in the report had been set in December. This gives rise to two issues for consideration; firstly does an "open" assignment pose any risk with regard to payment of the weekly invoice and secondly, is the information shown on the report overinflated by "open assignments" that are not matched to agency officers in post.
 - The "phone round" to managers identified a mixed response to the recovery and storage/destruction of security passes. In one example a service team used WhatsApp video to evidence an officer destroying their security pass; managers have recovered passes on site as part of the LBB equipment recovery and as reported to Committee in some instances the security pass has not been recovered or the manager cannot recall collecting the pass. It is acknowledged that home working has challenged routine procedures such as collecting in passes, but it is important to remind managers of their responsibility to recover and secure them. A security pass used by unauthorised personnel poses a risk to

FOLLOW UP REVIEW OF THE LEAVERS PROCESS 2020/21

identity fraud and could be used to falsely impersonate a Bromley officer to gain access to property, business or private dwelling.

- For both the November and February testing the information displayed on Outlook as an Out of Office varied. At best the Out of Office message gave an end of service date and a referral to a substitute officer, in other circumstances the email address looks “live”. With remote working it is helpful that the information such as Outlook is as up to date as possible. Managers should ensure that as part of the leaving process the officer sets up an Out of Office to support business continuity. The same applies to the completion of the Work Force Amendment form to ensure the manager assigns access to the Inbox or the OneDrive to an appropriate officer for an appropriate time period to allow business continuity.
- For one LBB officer the line manager role was effectively shared and therefore when the officer left both assumed the other had completed the workforce amendment. This is an issue for all teams to assign responsibility for set up and leaving processes to ensure the leavers checklist is completed.

16. At the Audit Sub Committee meeting on the 9/03/2021, Members expressed their concern that the Priority 1 recommendation relating to the leavers process had not yet been satisfactorily implemented, outstanding now since October 2019.
17. Although the Sharepoint Online form will address circulation to all appropriate departments it will still rely on managers completing the form in a timely manner.

SUMMARY FINDINGS / MANAGEMENT ACTION PLAN

18. The findings of this report, together with an assessment of the risk associated with any control weaknesses identified, are detailed in Appendix A. Any recommendations to management are raised and prioritised, together with management’s responses and timescales for implementation. Appendix B details the definition of the audit assurance and priority ratings.

FOLLOW UP REVIEW OF THE LEAVERS PROCESS 2020/21

FINDINGS AND ACTION PLAN

APPENDIX A

1. Active Accounts Kept Open Past Leaving Date	
<p>Finding</p> <p>Audit testing has shown that in two instances management have not completed the workforce amendment form to intentionally keep the account open.</p> <p>For one LBB leaver the account had been left as active to allow business continuity. The leaver was the only officer who had access to an old system but still used, the team were using the username and password of their former colleague whilst IT seek to resolve access.</p> <p>For one line manager (agency) who had left the Authority on short notice, the Head of Service had kept the account open as the individual was still assisting the service on specific tasks. This individual has no contractual arrangement for the period after the end date, he was not on our payroll or an open agency assignment.</p> <p>Risk</p> <p>Active accounts may be accessed and used for unauthorised activity. Accountability is lost when generic username and password are used to access a system. The Authority is held to account for the actions of an individual not in a contractual arrangement.</p>	
<p><u>Recommendation</u></p> <p>The leavers process should be followed in all circumstances. Deviation from the agreed procedure should be considered on a case by case basis and approved at the appropriate level. The principle of sharing a username and password mitigates access controls and should be reviewed.</p> <p>The practice to retain officers outside of any contractual arrangement (employee or agency) to undertake Council business should be reviewed.</p>	<p><u>Rating</u></p> <div style="border: 1px solid black; background-color: yellow; padding: 5px; text-align: center; width: fit-content; margin: 10px auto;"> <p>Priority 2</p> </div>
<p><u>Management Response and Accountable Manager</u></p> <p>A Leavers Action Plan has been developed in March 2021 with support from all Chief Officers and implementation has commenced. An action on this plan is to ensure all leavers are disabled from the IT system on their leaving date. The Assistant Director of IT has implemented a process to ensure that all Leavers that have had a Leavers form completed have been disabled and this will be the case moving forward. For those with no Leavers form (who may for example be third parties or agency staff), a separate process has commenced at the start of April 2021 whereby lists supplied by HR will be checked for Leavers and IT will then disable those accounts.</p>	<p><u>Agreed timescale</u></p> <p>Process is already in place at the end of April 2021</p>

FOLLOW UP REVIEW OF THE LEAVERS PROCESS 2020/21

FINDINGS AND ACTION PLAN

APPENDIX A

Any outstanding Leavers will be disabled by the end of April and then on an ongoing basis through cross checks of these third party and agency staff lists provided by HR.

There should be no occasions where someone is working outside of normal contractual arrangements e.g. LBB employee, agency worker etc and any instances identified would be addressed with the line manager responsible.

If any deviation was required from the approved leavers procedure, this should be considered and approved by the Director or the Assistant Director, following consultation with IT or and HR for appropriate advice.

Accountable Manager: Assistant Director & SIRO, IT services and Head of HR Business, System &Reward

FOLLOW UP REVIEW OF THE LEAVERS PROCESS 2020/21

FINDINGS AND ACTION PLAN

APPENDIX A

2. Agency Engagements Open Past Leaving Date	
<p><u>Finding</u></p> <p>For two agency workers included in the March 2021 ASC sample testing, the end dates of 23/12/20 and 25/12/20, shown on the agency leavers report should have been May and July 2020 respectively, confirmed by the line manager when the officers left the Authority. A “live” assignment could allow the opportunity for timesheets and costs to be allocated to that engagement. Reports generated from the agency system to show current assignments, i.e. with no end date, will be over inflated.</p> <p>For two agency workers included in the November 2020 sample, the line managers assumed that the access to the system would be disabled when the assignment ended. Managers were not aware that it was their responsibility to complete a workforce amendment to instruct IT to disable the account.</p> <p><u>Risk</u></p> <p>Costs may be incurred against an open assignment and management information is inaccurate</p>	
<p><u>Recommendation</u></p> <p>Managers should ensure that the agency assignment is ended when the officer leaves the Authority and complete a workforce amendment form as part of the leavers process.</p> <p>Consider a second line of defence check by HR on the agency system to identify open assignments with no hours claimed or payments made; managers to verify the officer status.</p>	<p><u>Rating</u></p> <div style="border: 1px solid black; background-color: yellow; padding: 5px; text-align: center; width: fit-content; margin: 0 auto;"> <p>Priority 2</p> </div>
<p><u>Management Response and Accountable Manager</u></p> <p>As part of the Leavers Action Plan implemented in March 2021, HR will be responsible for writing a Leavers Policy and associated Procedure to ensure that managers’ responsibilities are clearly outlined (including with respect to agency staff and the agencies that are permitted to be used) and that the resulting disciplinary measures associated with non-compliance are clearly set out. As at 8th April 2021, a first draft of the Leavers procedure has been written. Training is being delivered by HR on the new agency for managers responsible for appointing agency staff. HR will be producing lists for IT of agency staff no longer actively working for LBB to enable IT to disable their accounts and access to data. However, any agency staff appointed outside of the usual systems (engaged directly</p>	<p><u>Agreed timescale</u></p> <p>End of June 2021 for procedures to be fully implemented.</p>

FOLLOW UP REVIEW OF THE LEAVERS PROCESS 2020/21

FINDINGS AND ACTION PLAN

APPENDIX A

through a business case) will not be captured through this standard report (i.e. they will not show up on HR systems or the Agency system list).

HR will therefore ensure that the new Policy and Procedure documents reflect that it is the responsibility of the hiring manager to ensure that anyone appointed outside of the usual agency route is removed from the system upon leaving. This should only apply to those appointed outside of IR35 via a business case to the Director of HR and Director of Finance.

Accountable Manager: Head of HR Business, System & Reward

3. Leavers Procedures – Advice and Guidance

FOLLOW UP REVIEW OF THE LEAVERS PROCESS 2020/21

FINDINGS AND ACTION PLAN

APPENDIX A

<p><u>Finding</u></p> <p>For both the November and February sample testing the “phone round” to line managers identified several areas where advice, additional to the leaver’s procedures set out in the managers toolkit would be helpful. There would also be benefit in setting out advice for interim arrangements as necessitated by the restrictions imposed by COVID 19. Issues were arising as follows: -</p> <ul style="list-style-type: none"> • Collection of ID, LBB equipment and laptop for officers who are working remotely – managers to consider courier collection or if delegated to another officer how this is documented and recorded to ensure compliance and completion of the task • Collection of equipment from a colleague who has had a positive COVID result and sensitivity around death in service • The need to account for and secure LBB security passes including the return to Facilities Management or the destruction of the card. • Officers moving Directorates but retaining access to service specific system which may not be appropriate in their new role. <p><u>Risk</u></p> <p>Loss of LBB equipment; ID passes being unaccounted for and if lost potential misuse by unauthorised personnel to impersonate a Council employee. Unauthorised access to LBB service systems not appropriate to the officer role and responsibility.</p>	
<p><u>Recommendation</u></p> <p>Managers to be updated via newsletter or cascade communication of good practice around the leavers process. Contact details for any case by case enquiries that may require more sensitive handling and HR support.</p>	<p><u>Rating</u></p> <p style="text-align: center;">Priority 2</p>
<p><u>Management Response and Accountable Manager</u></p> <p>As per the Leavers Action Plan initiated in March 2021, HR will be developing a new policy and procedure for Leavers which details the exact steps needed to be taken by managers, leavers, HR and IT. This includes the requirement for line managers to obtain any equipment and security passes from the Leaver.</p> <p>The equipment will be recorded in the Sharepoint Leavers form (assets expected back) and on the HR system (assets returned). The new Leavers checklist documenting assets returned will be submitted by the Line Manager and must correspond to the Leavers form. A central register of IT assets is held and any local departmental assets will now be aligned to the central list. An ICT amnesty will be held within each department during 21/22 to ensure any redundant or spare equipment held locally is returned for redeployment or sale. IT will ensure all departmental asset registers are then merged with the central register. Security passes returned will be held by the Post</p>	<p><u>Agreed timescale</u></p> <p>End of June 2021</p>

FOLLOW UP REVIEW OF THE LEAVERS PROCESS 2020/21

FINDINGS AND ACTION PLAN

APPENDIX A

Room and will be recorded on a register. Returned passes have a small financial value to the organisation, so in addition to the avoidance of a security risk, there is a financial benefit to repurposing the card.

Accountable Manager: Assistant Director & SIRO, IT services

4. Business Continuity and Service Delivery

FOLLOW UP REVIEW OF THE LEAVERS PROCESS 2020/21

FINDINGS AND ACTION PLAN

APPENDIX A

<p><u>Finding</u></p> <p>The audit testing looked at the officer status on both Skype and Outlook. There was no standard approach to an out of office statement. In some instances, the leaver had declared a leaving date and an alternative contact but at the other end of the scale the leaver looked to still be current. Internal Audit was looking at the internal facing out of office message, the external facing message is also important as to how the Council presents itself to external parties. In all cases the manager should consider the business continuity needs of the service and assign accordingly.</p> <p>Similarly, the workforce amendment allows the authorising manager options to reassign the leavers Outlook account or personal drive to alternative officers for a predetermined time to allow business continuity and service delivery.</p> <p><u>Risk</u></p> <p>Service delivery is disrupted as officers leave the Authority and inadequate handover and referral information is posted to colleagues and external parties.</p>	
<p><u>Recommendation</u></p> <p>Managers should consider the handover arrangements when an officer leaves the Council. This should include the out of office notification and assignment of Outlook to an appropriate substitute to ensure effective business continuity and service delivery.</p>	<p><u>Rating</u></p> <p style="text-align: center;">Priority 2</p>
<p><u>Management Response and Accountable Manager</u></p> <p>As part of the Leavers Action Plan, the Information Governance team will be developing a policy and associated procedures around the storage and transfer of data when someone leaves the organisation. The IT programme of moving from Sharepoint 2007 to Sharepoint Online has commenced as has the associated training for information asset owners. The policy will set out the responsibilities of a manager with respect to ensuring a sufficient data handover with a leaver so that any key service information is saved in the appropriate place before the leaver departs. This will in future avoid the need for the retention of personal drives by a manager. Workforce amendment forms will indicate that the retention of access to personal drives and emails will not be standard and it is the responsibility of the manager to ensure data from the leaver is moved as appropriate. Permission may be granted through a head of Service or above to retain access in exceptional circumstances. In terms of an out of office, all key service contacts should be informed as part of the handover process of who should be contacted once the leaver has gone. A standard template for the recording of handover information is being developed by HR with associated training, to ensure that this is all progressed during the notice period. It can take up to 5 days</p>	<p><u>Agreed timescale</u></p> <p>End of June 2021</p>

FOLLOW UP REVIEW OF THE LEAVERS PROCESS 2020/21

FINDINGS AND ACTION PLAN

APPENDIX A

for a leaver to be removed from the system, so as long as plenty of notice has been given to disable the account and the correct handover has taken place, an out of office should not be needed. In the case of swift departures without notice, an out of office should be put on the account until it is disabled which should be no later than 5 days following.

Accountable Manager: Assistant Director & SIRO, IT services

OPINION DEFINITIONS

Assurance Level

Assurance Level	Definition
Substantial Assurance	There is a sound system of control in place to achieve the service or system objectives. Risks are being managed effectively and any issues identified are minor in nature.
Reasonable Assurance	There is generally a sound system of control in place but there are weaknesses which put some of the service or system objectives at risk. Management attention is required.
Limited Assurance	There are significant control weaknesses which put the service or system objectives at risk. If unresolved these may result in error, abuse, loss or reputational damage and therefore require urgent management attention.
No Assurance	There are major weaknesses in the control environment. The service or system is exposed to the risk of significant error, abuse, loss or reputational damage. Immediate action must be taken by management to resolve the issues identified.

Recommendation ratings

Risk rating	Definition
<div data-bbox="221 1114 383 1161" style="border: 1px solid black; background-color: red; color: white; padding: 2px; display: inline-block;">Priority 1</div>	A high priority finding which indicates a fundamental weakness or failure in control which could lead to service or system objectives not being achieved. The Council is exposed to significant risk and management should address the recommendation urgently.
<div data-bbox="221 1241 383 1289" style="border: 1px solid black; background-color: yellow; padding: 2px; display: inline-block;">Priority 2</div>	A medium priority finding which indicates a weakness in control that could lead to service or system objectives not being achieved. Timely management action is required to address the recommendation and mitigate the risk.