

Subject: REPORT ON THE STATUS OF AUDIT RECOMMENDATIONS

Report to: Audit and Risk Committee, 7 March 2022

Report by: Faye Haywood, Head of Internal Audit for Gt Yarmouth BC

SUBJECT MATTER

This report seeks to inform members on the latest progress made in relation to management implementation of agreed audit recommendations falling due by 25 February 2022.

1. INTRODUCTION/BACKGROUND

- 1.1 The Audit and Risk Committee receives regular updates on management implementation of agreed audit recommendations. This report forms part of the overall reporting requirements to assist the Council in discharging the responsibilities in relation to its Internal Audit Service.
- 1.2 The Public Sector Internal Audit Standards require that a process is in place to ensure that sufficient action is being taken by management to implement recommendations.

2. MAIN BODY

- 2.1 The current position and issues in relation to the implementation of internal audit recommendation is shown in the report attached.

3. FINANCIAL IMPLICATIONS

- 3.1 None.

4. RISK IMPLICATIONS

- 4.1 Failure to implement or improve internal controls may lead to risks associated with those controls materialising.

6.0 RECOMMENDATIONS

- 6.1 That the Committee receives and notes the current position in relation to the implementation of agreed audit recommendations.

BACKGROUND PAPERS

Appendix – Follow Up Report on Internal Audit Recommendations

Area for consideration	Comment
Monitoring Officer Consultation:	No
Section 151 Officer Consultation:	Yes
Existing Council Policies:	No
Financial Implications:	No
Legal Implications (including human rights):	No
Risk Implications:	Yes
Equality Issues/EQIA assessment:	No
Crime & Disorder:	No
Every Child Matters:	No

Eastern Internal Audit Services



Gt Yarmouth Borough Council

Follow Up Report on Internal Audit Recommendations

Period Covered: 26 November 2021 to 25 February 2022

Responsible Officer: Faye Haywood – Head of Internal Audit

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1. INTRODUCTION

- 1.1 This report is being issued to assist the Authority in discharging its responsibilities in relation to the internal audit activity.
- 1.2 The Public Sector Internal Audit Standards also require the Chief Auditor Executive to establish a process to monitor and follow up management actions to ensure that they have been effectively implemented or that senior management have accepted the risk of not taking action. The frequency of reporting and the specific content are for the Authority to determine.
- 1.3 To comply with the above this report includes:
- The status of agreed actions.

2. STATUS OF AGREED ACTIONS

- 2.1 As a result of audit recommendations, management agree action to ensure implementation within a specific timeframe and by a responsible officer. The management action subsequently taken is monitored by the Internal Audit Contractor on a regular basis and reported through to this Committee. Verification work is also undertaken for those recommendations that are reported as closed.
- 2.2 **Appendix 1** to this report shows the details of the progress made to date in relation to the implementation of the agreed recommendations. This appendix also reflects the year in which the audit was undertaken to enable the Committee to easily identify outstanding recommendations from previous financial years. The table also distinguishes between outstanding recommendations that have previously been reported to this Committee and then those which have become outstanding this time round.
- 2.3 In 2018/19 internal audit raised 113 recommendations. In total, 100 have been implemented. Of those remaining, 13 are outstanding (four important, nine needs attention).

The management response in relation to the outstanding important recommendations can be seen at **Appendix 2** of the report.

Number raised	113	
Complete	100	88%
Outstanding	13	12%

- 2.4 In 2019/20 a total of 100 recommendations were agreed; of these, 88 have now been implemented. A total of 12 recommendations are outstanding (two important and 10 needs attention).

The management response in relation to the outstanding important recommendations can be seen at **Appendix 3** of the report.

Number raised	100	
Complete	88	88%
Outstanding	12	12%

- 2.5 In 2020/21 29 recommendations were agreed. A total of 27 have now been completed and two are outstanding, both are needs attention priority.

The management response in relation to the outstanding important recommendations can be seen at **Appendix 4** of the report.

Number raised	29	
Complete	27	90%
Outstanding	2	10%

- 2.6 In 2021/22 a total of 13 recommendations have been agreed so far. Two recommendations are completed. 11 are not yet due.

Number raised	13	
Complete	2	15%
Outstanding	0	0%
Not yet due	11	85%

- 2.7 All recommendations are assigned at senior management level, with the position in implementing urgent and important audit recommendations discussed at Executive Leadership Team meetings.
- 2.8 We are encouraged by the progress made in this period to resolve historical recommendations. We will continue to work with management to target historical recommendations in time for year-end, particularly the large number of lower priority points that remain overdue.

APPENDIX 1 – SUMMARY STATUS OF AGREED INTERNAL AUDIT RECOMMENDATIONS

			Completed between 26 November 2021 to 25 February 2022			Previously reported to Committee as outstanding			(New) Outstanding			Total Outstanding	Not Yet Due for implementation		
			Priority 1	Priority 2	Priority 3	Priority 1	Priority 2	Priority 3	Priority 1	Priority 2	Priority 3		Priority 1	Priority 2	Priority 3
Audit Ref	Audit Area	Assurance Level													
2017/18 Audits															
GY1801	Corporate Health & Safety	Limited		1								0			
2018/19 Audits															
GY1901	Corporate Governance	Limited					1					1			
GY1908	Capital Programme	Reasonable					1					1			
GY1909	Environmental Services	Reasonable			1		1	4				5			
GY1914	Procurement	Limited					1	3				4			
GY1916	Property & Asset Mgt	Reasonable						2				2			
2019/20 Audits															
GY2001	GYB Services	Reasonable						1				1			
GY2005	Council Tax and NNDR	Reasonable						1				1			
GY2007	S106 Agreements	Reasonable		1								0			
GY2008	Housing Strategy and Affordable Housing	Reasonable						1				1			
GY2016	Corporate Enforcement	Reasonable		2			2	2				4			
GY2019	Cyber Crime	Reasonable						2				2			
GY2020	Starters, Movers, Leavers	Reasonable						3				3			
2020/21 Audits															
GY2106	HR & Payroll	Reasonable						1				1			
GY2107	Key Controls and Assurance	Reasonable						1				1			
2021/22 Audits															
GY2210	Income	Substantial			2							0			
GY2207	Counter Fraud and Corruption	Limited										0	2	5	4
Total			0	4	3	0	6	21	0	0	0	27	2	5	4

APPENDIX 2 – OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS – 2018/19

Report	Recommendation	Priority	Responsible Officer	Due Date	Revised Due Date	Number of times revised	Status	Latest Response
GY1901 Corporate Governance	Recommendation 8: A review of off-site paper storage arrangements is undertaken to ensure they are GDPR compliant.	2	Head of Property and Asset Management	31/01/2019	30/06/2022	7	Outstanding	With minimal staff working from the offices due to COVID this continues to be difficult to recommence. Agile working arrangements are anticipated to be introduced in early 2022 at which point this project can recommence.
GY1908 Capital Programme Contracts (General Fund and Housing Revenues Account)	Recommendation 6: In respect of the Norfolk County Council (NCC) Norfolk Infrastructure Fund (NIF) for the energy park, the following is undertaken Confirmation that the NCC Policy & Resources committee has formally approved the NIF budget of £2.75m; and- Agreement of how payment of the funding is processed, e.g. expenditure is invoiced on a regular basis such as annually. This process to be formally agreed and documented.	2	Finance Director	30/06/2019	31/03/2022	5	Outstanding	The funding of this project is being reviewed in line with the wider project objectives and use of the GYBC element of project funding.
GY1909 Environmental Services	Recommendation 1: Contaminated land. The review of the prioritisation site list is concluded as follows: completion of the review of medium scored sites; - finalising the further work needed in respect of the high scored sites to assess the possibility of significant harm and addition of the date when the review work for each site has been completed and officer/reviewer name.	2	Head of Environmental Services	31/05/2019	31/03/2022	4	Outstanding	Not all of the medium rated sites have been reviewed due to resource issues. Taking this into account a revised date of end of March has been added.

Report	Recommendation	Priority	Responsible Officer	Due Date	Revised Due Date	Number of times revised	Status	Latest Response
GY1914 Procurement	Recommendation 1: The procurement strategy (PS) be reviewed and updated including an update of the accompanying action plan to be taken forward as a new action plan. This should include a review against the other council PSs and the National Procurement Strategy for any key gaps, and also GDPR requirements. In addition, the PS to be updated to include consideration is given to the requirement for more bespoke terms and conditions (T&CS) and service review points, in addition to the standard T&Cs which should be included. The PS should also be reviewed to ensure it refers to the requirements of GDPR.	2	Monitoring Officer	30/09/2019	31/03/2022	4	Outstanding	The first draft of the strategy has been produced and is due to be reported to ELT in December 2021 to then be reported through the Committee approval process early 2022.

APPENDIX 3 – OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS – 2019/20

Report	Recommendation	Priority	Responsible Officer	Due Date	Revised Due Date	Number of times revised	Status	Latest Response
GY2016 Corporate Enforcement	Recommendation 1: Technological efficiencies with the new proposed system to be identified and maximised. A set format to be agreed for storing files. In addition a data cleansing exercise to be undertaken as planned to ensure that the council is compliant with GDPR.	2	Head of Environmental Services	30/04/2021	31/12/2022	1	Outstanding	<p>New IT system delayed until 2022 delivery. When new structure in place in Jan 2022, enforcement training rolled out across service and this will include data storage for case investigation.</p> <p>File storage being rationalised and cleared out by Business Support team, files being deleted and paper copies being scanned.</p>
GY2016 Corporate Enforcement	Recommendation 5: An action plan be developed on how the Anti-Social Behaviour strategy is to be delivered. Once approved the Anti-Social Behaviour action plan should be presented to the Council's Housing and Neighbourhood Committee.	2	Community Protection Manager	31/12/2020	31/03/2022	1	Outstanding	<p>ASB action plan in place and being delivered, some significant delays due to covid, but work being progressed, report being written to update members on progress. To be taken in early 2022.</p>