

Subject: INTERNAL AUDIT ACTIVITY - Progress and Follow Up

Report to: Audit and Risk Committee, 17 July 2023

Report by: Faye Haywood, Head of Internal Audit for Great Yarmouth Borough Council

SUBJECT MATTER

This report examines progress made between 18 January to 26 June 2023 in relation to the delivery of the revised Annual Internal Audit Plan for 2022/23. The report also provides an update on the implementation of internal audit recommendations.

1. INTRODUCTION/BACKGROUND

- 1.1 This report reflects the completion of the audit reviews which are part of the annual internal audit plan of work, and any outstanding internal audit recommendations.

2. CURRENT POSITION OF THE ANNUAL INTERNAL AUDIT PLAN 2022/23 AND FOLLOW UP

- 2.1 The report provides an update on the final position in relation to the delivery of the Internal Audit Plan for 2022/23. An update on the implementation of internal audit recommendations is also shown within the attached report.

3. FINANCIAL IMPLICATIONS

- 3.1 The Internal Audit Plan has been delivered within the revised budget for 2022/23.

4. RISK IMPLICATIONS

- 4.1 Internal Audit planning starts with the Council's key risks, which then directs the audit plan for the financial year. Internal Audit reports then identify risk and control weaknesses within the Council, which are highlighted in this report, with appropriate management action being agreed to mitigate these risks within agreed timeframes.

5. CONCLUSIONS

- 5.1 The report contains a final update on progress against the Internal Audit Plan for 2022/23. An update is also provided to the Audit and Risk Committee on the implementation of internal audit recommendations.

6. RECOMMENDATIONS

- 6.1 It is recommended that the Committee receives the progress update relating to the Internal Audit Plan for 2022/23, and receives the update on the Council's implementation of internal audit recommendations.

7. BACKGROUND PAPERS

Appendix – Internal Audit Progress and Follow Up July 2023

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

Eastern Internal Audit Services



Great Yarmouth Borough Council

Internal Audit Update – Progress and Follow Up

Period Covered: 12 January to 26 June 2023

Responsible Officer: Faye Haywood – Head of Internal Audit for Great Yarmouth Borough Council

CONTENTS

<i>1. INTRODUCTION.....</i>	
<i>2. SIGNIFICANT CHANGES TO THE APPROVED INTERNAL AUDIT PLAN</i>	
<i>3. PROGRESS MADE IN DELIVERING THE AGREED AUDIT WORK</i>	
<i>4. THE OUTCOMES ARISING FROM OUR WORK</i>	
<i>5. FOLLOW UP OF AGREED AUDIT RECOMMENDATIONS.....</i>	
<i>APPENDIX 1 – PROGRESS IN COMPLETING THE AGREED AUDIT WORK.....</i>	
<i>APPENDIX 2 – AUDIT REPORT EXECUTIVE SUMMARIES 2022/23.....</i>	
<i>APPENDIX 3 – STATUS OF AGREED INTERNAL AUDIT RECOMMENDATIONS.....</i>	
<i>APPENDIX 4 – OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS – 2018/19</i>	
<i>APPENDIX 5 – OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS – 2019/20</i>	
<i>APPENDIX 6 – OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS – 2021/22</i>	
<i>APPENDIX 7 – OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS – 2022/23</i>	

1. INTRODUCTION

- 1.1 This report is issued to assist the Authority in discharging its responsibilities in relation to the internal audit activity.
- 1.2 The Public Sector Internal Audit Standards requires the Chief Audit Executive to report to the Audit Committee on the performance of internal audit relative to its plan, including any significant risk exposures and control issues.
- 1.3 To comply with the above this report includes:
- Any significant changes to the approved Audit Plan;
 - Progress made in delivering the agreed audits for the year;
 - Any significant outcomes arising from audits; and
 - Performance Indicator outcomes to date.

2. SIGNIFICANT CHANGES TO THE APPROVED INTERNAL AUDIT PLAN

- 2.1 Since the plan's approval in March 2022, several changes have been made to the Internal Audit Plan 2022/23, which have been outlined in the previous report in October 2022 and January 2023. Since then, the following audits have been deferred to 2023/24:

Audit	Plan Amendment
GY2301 Corporate Governance	Due to the local elections and the Council's amendments to the constitution it was agreed that this audit should be deferred to provide assurance over the new arrangements in Quarter 2 of 2023/24.
GY2311 Development Control	Auditor availability has resulted in this review being deferred to the 2023/24 audit plan.

3. PROGRESS MADE IN DELIVERING THE AGREED AUDIT WORK

- 3.1 The current position in completing audits to date within the financial year is shown in **Appendix 1**.
- 3.2 In summary 243 days of programmed work have now been completed, equating to 100% of the revised Internal Audit Plan for 2022/23.

4. THE OUTCOMES ARISING FROM OUR WORK

- 4.1 On completion of each individual audit an assurance level is awarded using the following definitions:

Substantial Assurance: Based upon the issues identified there is a robust series of suitably designed internal controls in place upon which the organisation relies to manage the risks to the continuous and effective achievement of the objectives of the process, and which at the time of our review were being consistently applied.

Reasonable Assurance: Based upon the issues identified there is a series of internal controls in place, however these could be strengthened to facilitate the organisation's management of risks to the continuous and effective achievement of the objectives of the process. Improvements are required to enhance the controls to mitigate these risks.

Limited Assurance: Based upon the issues identified the controls in place are insufficient to ensure that the organisation can rely upon them to manage the risks to the continuous and effective achievement of the objectives of the process. Significant improvements are required to improve the adequacy and effectiveness of the controls to mitigate these risks.

No Assurance: Based upon the issues identified there is a fundamental breakdown or absence of core internal controls such that the organisation cannot rely upon them to manage risk to the continuous and effective achievement of the objectives of the process. Immediate action is required to improve the controls required to mitigate these risks.

- 4.2 Recommendations made on completion of audit work are prioritised using the following definitions:

Urgent (priority one): Fundamental control issue on which action to implement should be taken within 1 month.

Important (priority two): Control issue on which action to implement should be taken within 3 months.

Needs attention (priority three): Control issue on which action to implement should be taken within 6 months.

- 4.3 In addition, on completion of audit work "Operational Effectiveness Matters" are proposed, these set out matters identified during the assignment where there may be opportunities for service enhancements to be made to increase both the operational efficiency and enhance the delivery of value for money services. These are for management to consider and are not part of the follow up process.

- 4.4 During the period covered by the report Internal Audit has issued eight reports:

Audit	Assurance	P1	P2	P3
GY2303 Corporate Health and Safety	Reasonable	0	2	0
GY2316 Tenancy Services	Reasonable	0	3	2
GY2307 Housing Rents	Reasonable	0	2	1
GY2308 Payroll and HR	Reasonable	0	1	1
GY2309 Bereavement Services	Reasonable	0	3	6
GY2218 Change Control and Patch Management	Substantial	0	0	3
GY2306 Accounts Payable	Reasonable	0	3	3
GY2305 Key Controls and Assurance	Reasonable (DRAFT)	0	5	4

The Executive Summaries of these reports are attached at **Appendix 2**, full copies of the reports can be requested by Members.

- 4.5 As can be seen in the table above and as a result of these audits 39 recommendations have been raised by Internal Audit. In addition, 11 Operational Effectiveness Matters have been raised for management's consideration.

- 4.6 In addition to the above, the audit of Procurement and Contract Management has been drafted but is yet to be issued for management comment. A limited assurance grading is indicated overall.

5. FOLLOW UP OF AGREED AUDIT RECOMMENDATIONS

- 5.1 In addition to providing the Committee with the performance of internal audit relative to its plan, the Public Sector Internal Audit Standards also require the Chief Audit 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.
- 5.2 To comply with the above this report includes the status of agreed actions.
- 5.3 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 the Committee. Verification work is also undertaken for those recommendations that are reported as closed.
- 5.4 **Appendix 4** 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 and identifies between outstanding recommendations that have previously been reported to this Committee and then those which have become outstanding this time round. A total of 36 recommendations are outstanding – three urgent, 19 important and 14 needs attention priority. 23 recommendations are not yet due for completion.
- 5.5 Recommendations relating to the audits listed below will be followed up by re-performing testing and confirming completion due to the significant risks raised. The recommendations from these audits are therefore not highlighted within the figures provided above.

Audit	Results	Re-testing scheduled
GY2222 – Housing Compliance	No Assurance 36 Urgent & 6 Important recommendations agreed.	Quarter four 2023/24
GY2223 – Housing Voids	Limited Assurance 7 Urgent and 9 Important recommendations agreed.	2024/25

- 5.6 **Appendix 5, 6 and 7** provide the committee with details of urgent and important priority recommendations that are overdue by the year in which they were raised. Management responses and a new deadline have been indicated for each where available.








APPENDIX 1 – PROGRESS IN COMPLETING THE AGREED AUDIT WORK

Audit Area	Audit Ref	No. of days	Revised Days	Days Delivered	Status	Assurance Level	Recommendations				Date to Committee	Comments
							Urgent	Important	Needs Attention	Op		
Quarter 1												
Corporate Health and Safety	GY2303	10	10	10	Final report issued on 10 February 2023.	Reasonable	0	2	0	0	Jul-23	
HAZ Project (was Conservation and Heritage)	GY2318	10	10	10	Final report issued on 21 November 2022.	Reasonable	0	1	1	0	Jan-23	
Open Book Audit of Cost and Performance	GY2322	15	35	35	Final report issued on 3 January 2023.	Investigation					Jan-23	
Disabled Facilities Grants & Discretionary Loans	GY2317	10	10	10	Final report issued on 8 July 2022.	Substantial	0	0	1	0	Oct-22	
TOTAL		45	65	65								
Quarter 2												
Tenancy Services	GY2316	10	10	10	Final report issued on 18 January 2023.	Reasonable	0	3	2	2	Jul-23	
Corporate Plan and Performance	GY2304	10	10	10	Final report issued on 22 November 2022.	Reasonable	0	3	3	0	Jan-23	
Event Management and Tourism	GY2310	10	10	10	Final report issued on 9 November 2022.	Reasonable	0	2	1	0	Jan-23	
Civil Contingency and Business Continuity	GY2312	10	10	10	Final report issued on 7 September 2022.	Reasonable	0	3	1	1	Oct-22	
Elections	GY2313	10	10	10	Final report issued on 14 November 2022.	Substantial	0	0	1	0	Jan-23	
Housing Asset Management	GY2314	12	1	1	Audit deferred to 2023/24.							
TOTAL		62	51	51								

Audit Area	Audit Ref	No. of days	Revised Days	Days Delivered	Status	Assurance Level	Recommendations				Date to Committee
							Urgent	Important	Needs Attention	Op	
Quarter 3											
Key Controls and Assurance Framework	GY2305	16	16	16	Draft report issued on 15 June 2023	Reasonable	0	5	4	0	Jul-23
Payroll and HR	GY2308	15	15	15	Final report issued on 17 April 2023.	Reasonable	0	1	1	0	Jul-23
TOTAL		31	31	31							
Quarter 4											
Corporate Governance	GY2301	10	0	0	Audit deferred to 2023/24.						
Procurement and Contract Management	GY2302	12	12	12	Draft report produced	Limited					
Accounts Payable	GY2306	12	12	12	Final report issued on 21 June 2023.	Reasonable	0	3	3	1	Jul-23
Bereavement Services	GY2309	10	10	10	Final report issued on 12 June 2023.	Reasonable	0	3	6	2	Jul-23
Development Control	GY2311	10	0	0	Audit deferred to 2023/24.						
Housing Needs, Allocations, Homelessness & Housing Register	GY2315	10	0	0	Audit deferred to 2023/24.						
Housing Rents	GY2307	16	16	16	Final report issued on 2 May 2023.	Reasonable	0	2	1	2	Jul-23
TOTAL		80	50	50							
IT Audits											
Application Audit - HR and Payroll	GY2321	10	0	0	Audit deferred to 2023/24.						
Starters, Movers, Leavers	GY2320	10	0	0	Audit deferred to 2023/24.						
Change Control and Patch Management	GY2218	0	10	10	Final report issued on 21 February 2023.	Substantial	0	0	3	2	Jul-23
Software Licensing	GY2219	0	10	10	Final report issued on 26 September 2022.	Reasonable	0	2	1	1	Oct-22
Digital Strategy	GY2220	0	10	10	Final report issued on 7 December 2022.	Reasonable	0	4	3	0	Jan-23
Cyber Security	GY2319	10		0	Audit deferred to 2023/24.						
TOTAL		30	30	30							
Follow Up											
Follow Up	N/A	16	16	16							
TOTAL		16	16	16							
TOTAL		264	243	243			0	34	32	11	
Percentage of plan completed				100%							

APPENDIX 2 – AUDIT REPORT EXECUTIVE SUMMARIES 2022/23

Executive Summary – GY2303 Corporate Health and Safety

OVERALL ASSESSMENT	KEY STRATEGIC FINDINGS								
<div></div>	<div><div><p>Services are responsible for carrying out their own risk assessments. However, there is not a central record, and consequently it is difficult to monitor whether risk assessments are all up to date.</p></div><div><p>All staff receive basic health and safety training through the Council's e-learning platform. However, this is not differentiated for staff with additional health and safety responsibilities to ensure they have received the requisite levels of training.</p></div><div><p>The Council has a Health and Safety Policy, which describes the health and safety management system in use and the responsibilities of all staff.</p></div><div><p>Inspections of the Council’s operational assets are completed in accordance with the timetable, with actions recorded and inspection records retained.</p></div></div>								
ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE	GOOD PRACTICE IDENTIFIED								
<p>The audit has sought to provide assurance over the following key risk: “Unsafe working practices being followed within the organisation, leading to risks to the health and safety of staff.”</p>	<div><div><p>The Council has a Corporate Health and Safety Group, which meets quarterly, to discuss emerging issues and actions required.</p></div><div><p>Accidents and incidents are reported and investigated promptly to identify the root causes, with mitigating actions taken as appropriate.</p></div></div>								
SCOPE	ACTION POINTS								
<p>This area was last reviewed in 2018/19 and given a reasonable assurance grading. However, a number of changes to working practices during the pandemic have resulted in a new Agile Working Strategy being agreed. This audit focused on the new health and safety arrangements for staff and for operational assets that the Council manages. It did not include health and safety coverage of subsidiary companies owned by the Council.</p>	<table><tr><th>Urgent</th><th>Important</th><th>Needs Attention</th><th>Operational</th></tr><tr><td>0</td><td>2</td><td>0</td><td>0</td></tr></table>	Urgent	Important	Needs Attention	Operational	0	2	0	0
Urgent	Important	Needs Attention	Operational						
0	2	0	0						

Executive Summary – GY2316 Tenancy Services

OVERALL ASSESSMENT



ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

This audit sought to provide assurance over the following corporate risks:

- Lack of community cohesion / community tensions
- Covid - Recovery phase and Resilience for residents and businesses of the Borough

SCOPE

This area has not been audited at the Council before. This audit evaluated the processes in place to manage Anti-Social Behaviour (ASB), the management of resident complaints and consider how the Council is preparing for the white paper on the Charter for Social Housing Residents.

KEY STRATEGIC FINDINGS



While some policies refer to vulnerability and vulnerable residents, there is no separate policy or written guidance in place to address the support for vulnerable residents on a strategic level.



Property issues such as repairs identified during tenancy reviews are reported to Great Yarmouth Norse (GNY) for resolution. There is a need for the Council to follow up on the status of the raised issues and verify with the customer that these have been actioned.



A report to the Housing & Neighbourhood Committee (HNC) in March 2021 provided a detailed summary of the Charter for Social Housing Residents and outlined a plan including a six-monthly report to HNC regarding performance and compliance against Consumer Standards and six-monthly updates on Resident Engagement activity with a position statement in the following meeting setting a baseline for the proposed Tenant Satisfaction Measures. Conformance with the charter is not expected to be required until 2023/24 and the Council is currently collecting the majority of the information that is required.



Performance measures are in place for Anti-Social Behaviour (ASB). Complaints are monitored and reported. Tenant Satisfaction Measures proposed by the Social Housing White Paper have been considered but are not currently being reported as part of the housing performance measures.

GOOD PRACTICE IDENTIFIED



A multi-agency response to ASB is in place with monthly meetings to discuss relevant cases. Additionally, a public consultation panel has been set up to discuss community priorities.



The Council has established five satisfaction surveys to provide insight in the service's performance and support continuous improvement of the services.

ACTION POINTS

Urgent	Important	Needs attention	Operational
0	3	2	2

Executive Summary – GY2307 Housing Rents

OVERALL ASSESSMENT



ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

The audit has sought to provide assurance over the following key risk: “Non-receipt of rental income”.

KEY STRATEGIC FINDINGS



The monthly reconciliation of the rents system to the general ledger, and quarterly sign off by the senior accountant, has not been completed on a timely basis.



A review of former tenancy arrears is required, to identify those where there is potential for recovery, and write off those that are considered irrecoverable.



The rent income and arrears policy and the write-off and credit note policy are overdue for review.



The annual rent charge for 2022-23 is in line with government rent limits and was approved by Council on 20th February 2022.

GOOD PRACTICE IDENTIFIED



The service has experienced considerable resourcing issues during the year. Workforce capacity is appropriately included as a high risk on the corporate risk register.



Quarterly performance monitoring includes various corporate indicators, service KPIs, and other monitoring statistics, which are reported to management. The corporate KPIs are included in the quarterly performance report to Policy and Resources Committee.

SCOPE

This key financial system feeds into the Statement of Accounts and requires regular review to confirm the adequacy and effectiveness of controls in this area.

ACTION POINTS

	Urgent	Important	Needs Attention	Operational
	0	2	1	2

Executive Summary – GY2308 Payroll and HR

OVERALL ASSESSMENT



ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

The audit has sought to provide assurance over the following key risks: 'Making accurate and timely salary payments to staff. Corporate risk no. 12A - workforce capacity'.

SCOPE

This key financial system feeds into the Statement of Accounts and requires regular review to confirm the adequacy and effectiveness of controls in this area.

KEY STRATEGIC FINDINGS



Resourcing has been recognised as a key risk for the service. The Corporate Risk Register includes a risk across the Council for workforce capacity.



Monthly payroll totals are authorised for payment by the Head of Organisational Development. Monthly reconciliations of the payroll system to the general ledger are promptly completed by the finance team.



Guidance for agency and off payroll working (IR35) requires updating to include the additional responsibilities for local authorities effective from April 2021. The Sickness Absence Policy is also in need of review.



There is no documented guidance for staff in relation to the supporting evidence required for the VAT element of expense claims.

GOOD PRACTICE IDENTIFIED



Human Resources (HR) monitor sickness absence on a weekly basis, provide support to managers when required and report to senior management on a monthly and quarterly basis.



A new Payroll, HR and recruitment system, is scheduled to be in place for 2023-24. This will include self-serve functionality including sickness recording and, expenses claims.

ACTION POINTS

Urgent	Important	Needs attention	Operational
0	1	1	0

Executive Summary – GY2309 Bereavement Services

OVERALL ASSESSMENT



KEY STRATEGIC FINDINGS



The Key Strategic Findings refer to both bereavement services and the new Tea Rooms (located at based at the Great Yarmouth and Gorleston Crematorium) that opened in September 2022. Of the nine recommendations raised, six relate specifically to the Tea Rooms. These relate to accounting for cash prior to banking, including exceeding the cash holding limit of £600, evidencing stock checks and a need to agree a frequency therewith going forward and to include associated risks with the Tea Rooms in the service plan, now that it has opened.



The five-year maintenance plan indicated that inspections have not resumed following interruption caused by Covid-19, including in one case, a cemetery having not been inspected for nine years. Actions to rectify issues with graves were not always documented, thus confirming action had been taken.



Reconciliations between income received into cashiers and bereavement services records were not subject to independent check and sign off.



The Council's Cemetery Guidelines contain guidance on processes such as grave selection, exclusive rights of burial, grave dimensions and indicates that the cemeteries are operated in accordance with the Local Authorities Cemeteries Order 1977. This is further supported with a suite of departmental procedure notes which are in place for burials and cremations.

ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

The audit sought to provide assurance over the following key risks:

“Adequate Financial Controls are in place, and complied with, to minimise exposure to risk of fraudulent conduct”.

“Adequate procedures are in place for maintaining Service Delivery”.

GOOD PRACTICE IDENTIFIED



The contract for direct funeral services has been renewed following a formal tender process. The new contract commenced with effect from 1st April 2023.



Bereavement Services maintains a proactive approach to space utilisation and future requirements for capacity to sustain future service delivery resilience.

SCOPE

An audit has not been undertaken of this area since 2016/17 when a substantial opinion was given. There have been recent changes in the service area, including the opening of the 'Garden Team Rooms' and direct funeral services now being offered which have prompted audit coverage to be added to the audit plan.

ACTION POINTS

Urgent	Important	Needs Attention	Operational
0	3	6	2

Executive Summary – GY2306 Accounts Payable

OVERALL ASSESSMENT



ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

This audit sought to provide assurance over the following key risks:

- Financial loss due to incorrect or fraudulent payments.
- Financial loss through bank mandate fraud, if the controls over changes to supplier bank details are inadequate.

SCOPE

This key financial system feeds into the Statement of Accounts and requires regular review to confirm the adequacy and effectiveness of controls in this area. Key controls for Accounts Payable are tested annually to form the Head of Internal Audit's annual report and opinion and assists the preparation of the Council's Annual Governance Statement.

KEY STRATEGIC FINDINGS



To improve controls over verifying changes to supplier details, retaining evidence accordingly.



Data on prompt payments to suppliers should be published on the Council's website, however no data has been published since 2020/21.



A Corporate Credit Card policy is in place which card holders are required to sign to confirm they are aware of expected rules when using them.



Control account reconciliations are completed and subject to management review, although evidence of the latter is not evident. Senior management consider that reconciliations are completed by officers with sufficient seniority and should a significant issue occur, they would raise it with the Manager or take action to address.

GOOD PRACTICE IDENTIFIED



The new Finance System (adopted in January 2023) now includes all supplier changes on the weekly supplier amendment report for accuracy checking prior to the pay run. Previously only changes to bank details were checked.



Emails are now automatically sent to departments for certification, when the authorised value is insufficient for the received invoice. The process used to be manual, with requests for certification only for variances over £50.

ACTION POINTS

Urgent	Important	Needs Attention	Operational
0	3	3	1

Executive Summary – GY2305 Key Controls and Assurance (DRAFT)

OVERALL ASSESSMENT



ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

The audit has sought to provide assurance over the following key risk: "Non-compliance with key financial controls".

SCOPE

This is an annual review of key controls and feeds into the Statement of Accounts, for those systems not subject to a full audit review within the year, coverage will be required.

KEY STRATEGIC FINDINGS



The Council has a significant amount of outstanding aged debt and it is not evident that sufficient action is being taken to facilitate its recovery.



There is inconsistency in the recording and authorisation of invoice cancellations, credit notes and refunds.



Car parking income from Penalty Charge Notices is not promptly invoiced or received. There is also a lack of transparent information from the contractor, Borough Council of King's Lynn and West Norfolk.



Reconciliation of the fixed asset register is completed at year-end. A recommendation was raised in the GY2208 Accountancy Services report for annual reconciliations to be undertaken once Concerto had been updated, since the most recent reconciliation was completed in March 2019. The recommendation had an implementation date agreed of 31/07/23. Consequently, no assurance can be provided over this level of control at present.



The Council's Annual Governance Statement (AGS) for 2021/22 has not been uploaded to its website. The deadline for uploading was November 2022. This is due to technical issues currently being investigated by the IT department.

GOOD PRACTICE IDENTIFIED



Adequate controls were found to be in place for the following areas: treasury management, budgetary control, income and housing benefit.

ACTION POINTS

	Urgent	Important	Needs Attention	Operational
	0	5	4	0

Review of GY2218 Change Control and Patch Management Arrangements

OVERALL ASSURANCE ASSESSMENT



ACTION POINTS

Control Area	Urgent	Important	Needs Attention	Operational
Change Management Policies and Procedures	0	0	1	0
Patch Management Policies and Procedures	0	0	1	0
Change Controls - Evaluate, prioritize and authorise change requests	0	0	1	0
Change Controls - Close and document the changes	0	0	0	1
Change Controls - Track and report change status	0	0	0	1
Total	0	0	3	2

SCOPE

This area was last reviewed in 2015/16 and was given a Limited assurance. This audit focussed on agreement, scheduling and communication of changes and patches and provided assurance that recommendations raised in the 2015/16 review are completed and operating effectively.

APPENDIX 3 – STATUS OF AGREED INTERNAL AUDIT RECOMMENDATIONS

			Completed between 12 January to 15 June 2023			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													
2018/19 Audits															
GY1901	Corporate Governance	Limited					1					1			
GY1908	Capital Programme	Reasonable		1								0			
GY1909	Environmental Services	Reasonable					1	4				5			
GY1914	Procurement	Limited			2			1				1			
2019/20 Audits															
GY2008	Housing Strategy and Affordable Housing	Reasonable			1							0			
GY2016	Corporate Enforcement	Reasonable					1	2				3			
GY2020	Starters, Movers, Leavers	Reasonable			1							0			
2021/22 Audits															
GY2207	Counter Fraud and Corruption	Limited				2	5	2				9			
GY2216	Coastal Protection	Reasonable			1							0			
GY2212	Council Tax and NNDR	Reasonable			2							0			
GY2208	Accountancy Services	Reasonable										0		1	
GY2203	Annual Governance Statement	Reasonable			1							0			
GY2219	Software Licensing	Reasonable		1	1							0			
GY2202	Risk Management	Reasonable					2	2				4			
GY2215	Environmental Services	Limited	1	1		1	2	1		1	1	6			

			Completed between 12 January to 15 June 2023			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
2022/23 Audits															
GY2304	Corporate Plan and Performance	Reasonable		1						1		1		1	1
GY2310	Event Management and Tourism	Reasonable			1					1		1			
GY2312	Civil Contingency and Business Continuity	Reasonable		3								0			
GY2318	HAZ Project (was Conservation & Heritage)	Reasonable			1							0			
GY2307	Housing Rents	Reasonable								1		1		1	1
GY2308	Payroll and HR	Reasonable										0		1	1
GY2218	Change Control and Patch Management	Substantial			3							0			
GY2220	Digital Strategy	Reasonable		2	2					2	1	3			
GY2316	Tenancy Services	Reasonable										0		3	2
GY2309	Bereavement Services	Reasonable										0		3	6
GY2306	Accounts Payable	Reasonable		2	2									1	1
GY2303	Corporate Health and Safety	Reasonable		1						1		1			
Total			1	12	18	3	12	12	0	7	2	36	0	11	12

APPENDIX 4 – 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	30/11/2023	9	Outstanding	Corporate Services underwent a restructure during 2022 which resulted in only the Corporate Services Manager & Data Protection Officer being present for a large proportion of the year, while recruitment exercises took place. Due to the need to maintain day to day business and the effective running of the Council, work to review the offsite records had to be paused. Work has recommenced with the aim of completing by November 2023.
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 an addition of the date when the review work for each site has been completed and officer/reviewer name.	2	Head of Environment and Sustainability	31/05/2019	31/12/2023	6	Outstanding	Due to staff shortages this work has been delayed and we have had to prioritise other work, this will be completed by the end of the year.

APPENDIX 5 – 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 Environment and Sustainability	30/04/2021	01/10/2023	3	Outstanding	New IT system to be installed in September 2023, at which point this recommendation will be progressed.

APPENDIX 6 – OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS – 2021/22

Report	Recommendation	Priority	Responsible Officer	Due Date	Revised Due Date	Number of times revised	Status	Latest Response
GY2207 Counter Fraud and Corruption	Recommendation 1: The Council undertake an assessment of the fraud and corruption risks that it faces including comparison with the FFCL and put in place actions to mitigate them. Once complete the assessment needs to be used to determine whether a strategic risk should be added to the corporate risk register. The Audit and Risk Committee and the relevant Portfolio Holder to be briefed on the risks identified.	Urgent	Finance Director and Finance Manager	30/04/2022	30/11/2023	2	Outstanding	Resources for this work are under review to be completed in the year.
GY2207 Counter Fraud and Corruption	Recommendation 2: An assessment of the resources required to deliver counter fraud work be undertaken.	Urgent	Finance Director and Finance Manager	30/04/2022	30/11/2023	2	Outstanding	Resources for this work are under review to be completed in the year.

Report	Recommendation	Priority	Responsible Officer	Due Date	Revised Due Date	Number of times revised	Status	Latest Response
GY2207 Counter Fraud and Corruption	Recommendation 4: A Counter Fraud and Corruption Strategy be devised, applying to all aspects of the Councils' business. This should be communicated throughout the Council and acknowledged by those charged with governance. A strategy provides a framework for preventing and tackling bribery, fraudulent and corrupt acts against the Councils.	Important	Corporate Risk Officer	30/04/2022	30/07/2023	2	Outstanding	Other work commitment and resources have prevented progress with this recommendation. Requirement to resolve accessibility issues which will then enable progress with raising awareness.
GY2207 Counter Fraud and Corruption	Recommendation 3: The Audit and Risk Committee be updated on an annual basis on the Council's counter fraud activity and its progress against the Fighting Fraud and Corruption Locally Strategy 2020.	Important	Corporate Risk Officer	30/06/2022	30/07/2023	2	Outstanding	The AGS 2021/22 included details of the work that has been undertaken of the fraud activity and prevention work that has been undertaken. This is to be developed further.
GY2207 Counter Fraud and Corruption	Recommendation 5: Training sessions for counter fraud and corruption to be rolled out across the Council. Records for training sessions to be formally recorded and monitored.	Important	Corporate Risk Officer	30/06/2022	30/07/2023	2	Outstanding	Resource and other work commitments have prevented progression. The new e-learning package that is to be introduced in 2023 includes a fraud training module which officers can be invited to complete. Face to face training is preferred.
GY2207 Counter Fraud and Corruption	Recommendation 6: A programme of work be introduced to improve staff awareness and responsiveness to fraud across the Council.	Important	Corporate Risk Officer	30/06/2022	30/07/2023	2	Outstanding	Annual Action Plan includes details of work to be undertaken to raise staff awareness and fraud prevention. The Fraud Action Plan is to be incorporated into the Annual Risk Management Report.

Report	Recommendation	Priority	Responsible Officer	Due Date	Revised Due Date	Number of times revised	Status	Latest Response
GY2207 Counter Fraud and Corruption	Recommendation 7: An annual action plan to carry out all required counter fraud work be put in place and agreed by committee. The agreed plan should be linked to the annual audit plan and shared with Members and senior management.	Important	Finance Director and Finance Manager	30/06/2022	30/11/2023	2	Outstanding	Resources for this work are under review to be completed in the year.
GY2215 Environmental Services	Recommendation 1: To ensure that all private water supplies are subject to inspection in accordance with the private water supply regulations.	Urgent	Environmental Health Manager	31/12/2022	01/08/2023	2	Outstanding	New member of staff joining at the end of June 2023. Part of their role will be to complete the risk assessments. An action plan has been put in place to start the sampling and risk assessments from end July 2023.
GY2215 Environmental Services	Recommendation 3: To agree a timescale for the completion of the year four inspections in respect of the private rented housing selective licensing scheme relating to the Nelson Ward.	Important	Environmental Health Manager	31/12/2022	30/09/2023	2	Outstanding	A contractor has been employed until end of September 2023. 50% of inspections have been completed with the remaining to be completed by the end of September 2023.
GY2215 Environmental Services	Recommendation 7: A review of the Anti-Social Behaviour Strategy 2018 – 2023 be undertaken, reported to the Policy and Resources Committee and annual action plans re-instated.	Important	Head of Environment and Sustainability	31/03/2023	01/10/2023	1	Outstanding	Draft completed and being circulated for comment, changes and delays due to government release of new national strategy.
GY2215 Environmental Services	Recommendation 8: All Anti-Social Behaviour (ASB) activity, including number of cases and action taken, to be effectively and accurately recorded with supporting evidence retained.	Important	Head of Environment and Sustainability	31/12/2022	01/10/2023	2	Outstanding	New IT system due to be installed in September 2023.
GY2202 Risk Management	Recommendation 1: The Partnership Register (PR) is reviewed and updated, taking into account the Outside Bodies report, and whether this can be reduced to key partnerships whilst keeping a track of all key risks. The PR	Important	Finance Director and Finance Manager	31/08/2022	30/11/2023	1	Outstanding	To be reviewed and reported to ELT and Management Team in the year.

Report	Recommendation	Priority	Responsible Officer	Due Date	Revised Due Date	Number of times revised	Status	Latest Response
	should then be presented to ELT / Management Team' and Corporate Risk Group for agreement. The Partnership Governance Framework is also reviewed and update as necessary following the review of the PR.							
GY2202 Risk Management	Recommendation 3: A service risk register template is introduced for the 2022/23 financial year which is in line with the Corporate Risk Register template and methodology. These should be reviewed by the Corporate Risk Group during the first quarter of each financial year and subsequently reviewed for any material changes.	Important	Corporate Risk Officer	22/08/2022	31/10/2023	2	Outstanding	We will continue to work with Heads of Service to finalise this recommendation and pick this up during this year's review of the service risk registers.

APPENDIX 7 – OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS – 2022/23

Report	Recommendation	Priority	Responsible Officer	Due Date	Revised Due Date	Number of times revised	Status	Latest Response
GY2304 Corporate Plan and Performance	Annual Action plans to include consideration for key issues such as cost-of-living crisis and climate related risks.	Important	Senior Performance and Data Protection Officer	30/04/2023	30/07/2023	1	Outstanding	The Annual Action Plan for 2023/24 is currently under construction and due to be finalised and approved at July's Cabinet meeting.
GY2310 Event Management and Tourism	Review the process for event notification and planning. This should include the notification form, the distribution of information between departments of the Council, and communications with event organisers.	Important	Civic and Events Manager	30/03/2023	31/08/2023	1	Outstanding	Still in progress, team changes and resource pressures have made this slower than hoped but a review of competitors has been carried out and we are now liaising with IT to further automate the process.

Report	Recommendation	Priority	Responsible Officer	Due Date	Revised Due Date	Number of times revised	Status	Latest Response
GY2307 Housing Rents	Bring the reconciliations of the housing rents system to the general ledger, up to date, ensure these are signed and dated by the accountant completing the reconciliation and the senior independent reviewer, and maintain this level of control on a regular basis in future.	Important	Senior Accountant	31/05/2023	N/A	0	Complete, awaiting evidence	Internal Audit have been advised that this recommendation is complete. Once evidence is received, this recommendation will then be closed.
GY2220 Digital Strategy	Recommendation 3: IMT management to ensure that the requirement that documented project benefits are Specific, Measurable, Achievable, Relevant, and Time-Bound (SMART) is documented as part of a Project Management Policy along with requirements for how these are to be developed, agreed and monitored for compliance on an ongoing basis.	Important	IT Investment Group	31/03/2023	N/A	0	Outstanding	This recommendation has been actioned, however, as there have been no completed projects since this recommendations, this is yet to be evidenced.
GY2220 Digital Strategy	Recommendation 4: Management to ensure that the need for a formal project benefits realisation stage as part of a post-implementation review is documented as part of Project Management Policy.	Important	IT Investment Group	31/03/2023	N/A	0	Outstanding	Internal Audit have been advised that this recommendation is complete. Once evidence is received, this recommendation will then be closed.
GY2303 Corporate Health and Safety	Training on health and safety be tailored to ensure that all staff have been appropriately trained to carry out their responsibilities.	Important	Environmental Health Manager	28/02/2023	31/10/2023	1	Outstanding	In conjunction with the roll out of the new training platform Skill Gate, the Health and Safety Officer has been working with HR Learning and Development Officer to identify job roles where additional training required, so far this has focused on lone working. Other health and safety related training is currently being looked at including

Report	Recommendation	Priority	Responsible Officer	Due Date	Revised Due Date	Number of times revised	Status	Latest Response
								<p>workplace safely, manual handling and evacuation training.</p> <p>The Health and Safety Officer has been unable to update the Corporate Health and Safety Board as the meeting in February was cancelled, along with the meeting proposed for June. Training is to be delivered through Skill Gate rather than by the Health and Safety Officer.</p>