

Subject: INTERNAL AUDIT ACTIVITY - Progress and Follow Up

Report to: Audit and Risk Committee, 31 October 2022

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

SUBJECT MATTER

This report examines progress made between 1 April 2022 to 24 October 2022 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 current position in relation to the delivery of the Internal Audit Plan for 2022/23. The report provides an update on outstanding 2021/22 work. 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 will be 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 an 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 2021/22 & 2022/23, and receives the update on the Council's implementation of internal audit recommendations.

7. BACKGROUND PAPERS

Appendix – Internal Audit Activity – Progress and Follow Up

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: 1 April 2022 to 24 October 2022

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

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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, The IT internal audit programme has been reprofiled to allow the remainder of the 2021/22 IT audits to be completed. GY2320 Starters, Movers and Leavers and GY2319 Cyber Security have both been deferred to 2023/24 pending the audit planning risk assessment.
- 2.2 At the request of management, an open book audit was requested of GY Norse. This addition to the originally agreed plan was initially planned for 15 days, however due to unforeseen complexities, the audit days have increased to 35. This work is now concluded and is in draft awaiting a formal management response.

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 136 days of programmed work have now been completed, equating to 46% of the 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 three reports:

Audit	Assurance	P1	P2	P3
GY2219 Software Licensing	Reasonable	0	2	1
GY2317 Disabled Facilities Grants & Discretionary Loans	Substantial	0	0	1
GY2312 Civil Contingency and Business Continuity	Reasonable	0	3	1

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 this audit 8 recommendations have been raised by Internal Audit. Two Operational Effectiveness Matters have been proposed to management for consideration.

- 4.6 **Conclusion of 2021/22 work**

The following reports included within the table below were in draft at the time of writing the 2021/22 audit opinion. All 2021/22 work has now concluded with the exception of IT work which has been re-profiled into the 2022/23 plan. The Voids and Housing Compliance audits which were both later additions to the plan are complete but require finalisation. The Programme and Project Management Executive Summary is provided at **Appendix 2** of this report.

Audit	Status	Result
GYN Invoicing	Final report 30 September 2022. Findings reported to A&R July 2022.	Limited
Programme and Project Management	Final report 17 October 2022. Findings Appendix 1	Reasonable

Audit	Status	Result
Key Controls and Assurance	Final report 27 July 2022 Findings reported to A&R July 2022.	Reasonable
Accountancy Services	Final report issued 2 August 2022 Findings reported to A&R July 2022	Reasonable
Housing Compliance	Draft report issued 31 August Management comments stage	No Assurance
Voids	Draft report issued 11 October Management comments stage	Limited

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 3** 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 39 recommendations are outstanding – two urgent, 12 important and 25 needs attention priority.
- 5.5 **Appendix 4, 5 and 6** 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
							Urgent	Important	Needs Attention	Op	
Quarter 1											
Corporate Health and Safety	GY2303	10	10	7	Fieldwork underway.						
Conservation and Heritage	GY2318	10	10	10	Draft report issued on 26 August 2022.						
Open Book Audit of Cost and Performance	GY2322	15	35	35	Draft report issued on 30 September 2022.						
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	62							
Quarter 2											
Tenancy Services	GY2316	10	10	7	Fieldwork underway.						
Corporate Plan and Performance	GY2304	10	10	6	Fieldwork underway.						
Event Management and Tourism	GY2310	10	10	7	Fieldwork underway.						
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	Draft report issued on 11 October 2022.						
Housing Asset Management	GY2314	12	12	7	Fieldwork underway.						
TOTAL		62	62	47							
Quarter 3											
Procurement and Contract Management	GY2302	12	12	0.5	APM (Audit Planning Memorandum) in preparation.						
Key Controls and Assurance Framework	GY2305	16	16	0							
Payroll and HR	GY2308	15	15	0							
Development Control	GY2311	10	10	0							
TOTAL		53	53	0.5							

Audit Area	Audit Ref	No. of days	Revised Days	Days Delivered	Status	Assurance Level	Recommendations				Date to Committee
							Urgent	Important	Needs Attention	Op	
Quarter 4											
Corporate Governance	GY2301	10	10	0							
Accounts Payable	GY2306	12	12	0							
Bereavement Services	GY2309	10	10	1	APM (Audit Planning Memorandum) issued. Fieldwork due to start on 13 February 2023.						
Housing Needs, Allocations, Homelessness & Housing Register	GY2315	10	10	0							
Housing Rents	GY2307	16	16	0							
TOTAL		58	58	1							
IT Audits											
Application Audit - HR and Payroll	GY2321	10	10	1	Audit scoping underway.						
Starters, Moveres, Leavers	GY2320	10	0	0	Audit deferred to 2023/24.						
Change Control and Patch Management	GY2218	0	10	0.5	APM (Audit Planning Memorandum) in preparation.						
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	8	Audit fieldwork underway						
Cyber Security	GY2319	10		0	Audit deferred to 2023/24.						
TOTAL		30	40	19.5							
Follow Up											
Follow Up	N/A	16	16	6							
TOTAL		16	16	6							
TOTAL		264	294	136			0	5	3	2	
Percentage of plan completed				46%							

APPENDIX 2 – AUDIT REPORT EXECUTIVE SUMMARIES

Assurance Review of GY2205 Programme and Project Management Arrangements

Executive Summary

OVERALL ASSURANCE ASSESSMENT



ACTION POINTS

Control Area	Urgent	Important	Needs Attention	Operational
Policies, procedures, and guidance	0	0	1	0
Project Management	0	0	1	0
Total	0	0	2	0

SCOPE

This area has not been subject to audit review at the Council before and was deferred in 2020/21 to enable Covid-19 coverage. The objective of the audit was to review the systems and controls in place over Programme and Project Management to help confirm that these are operating adequately, effectively and efficiently.

RATIONALE

- The systems and processes of internal control are, overall, deemed 'Reasonable Assurance' in managing the risks associated with the audit. The assurance opinion has been derived as a result of two 'needs attention' recommendations being raised upon the conclusion of our work.
- The area has not been subject to previous audit review by TIAA, as such, a direction of travel cannot be provided.

POSITIVE FINDINGS

It is acknowledged there are areas where sound controls are in place and operating consistently:

- A central record of all key projects is maintained by the Project Management Office (PMO), including the selected Town Deal Fund and Future High Street Funds projects. The database outlines information for each project, including budget allocation, objectives, project team, start/end dates, as well as whether certain key documentation has been completed. This allows for management to maintain overall awareness of all ongoing projects.
- Key projects are linked to an objective within the Corporate Plan. The sampled projects, Restoration of the Winter Gardens, and the Marketplace Development, were identified within the Corporate Plan, under the "Strong and Growing Economy" strategic priority. This helps resources ensure are appropriately allocated towards achieving the priorities outlined in the plan.
- The sampled projects were supported by sound business cases, with links to the Corporate Plan. This helps ensure projects contribute towards achieving the priorities outlined in the plan.
- Full risk assessments have been completed for both sampled projects, with risk continually assessed as the projects progress. This helps ensure existing, and emerging risks are identified, and mitigating actions put in place.
- Clearly defined milestones were established for both sampled projects, with quarterly reporting in place against those milestones. This helps ensure that projects are being delivered on target.
- Projects are subject to regular budget monitoring. This helps ensure projects are operating within the approved financial constraints.
- Key projects are subject to retrospective review. A recently completed project was sampled, and the end of project evaluation outlined the performance against the goals of the project, and also incorporated a lessons learnt section, which fulfilled the requirements outlined in the Project Management guide and from the external funding source. This helps ensure project deliverables are met, and helps inform best practices for future projects undertaken by the Council.

ISSUES TO BE ADDRESSED

The audit has also highlighted the following areas where two 'needs attention' recommendations have been made.

Policies, procedures, and guidance

- Management to review the Project Management Guide, and update as appropriate, to reflect current officers, titles, and process. The updated Project Management Guide should then be disseminated, and made readily available to staff via intranet or shared drive.

Project Management

- Management to implement controls to ensure that all highlight reports are fully completed with red, amber, green (RAG) ratings for key risks identified.

Operational Effectiveness Matters

There are no operational effectiveness matters for management to consider.

Previous audit recommendations

This area has not been subject to a previous audit review by TIAA.

Other Points Noted

Through the course of our audit, it was identified that the Project Management Office (PMO) had undergone staffing shortages during the audit period, going from roughly ten individuals to one. This had led to Project Managers also having to undertake administrative duties that would typically be handled by a Project Coordinator. The Council has offset the risk of internal shortages by utilising contracted project managers to fulfil their needs. Furthermore, plans are in place to recruit to the vacant roles, taking into account the ongoing re-organisation taking place within the Project Management Office and Capital Projects Team (Property and Asset Management Service).

The resources issue has been recognised as a corporate risk, the Corporate Risk Register (CRR) including risk number 11 - Management of Major Projects – which refers to resourcing and capacity. This risk is being mitigated by the actions as referred to in the previous paragraph which are also referred to in the CRR mitigation/action plans. The Corporate Risk has been rated as a medium risk which is classed as an acceptable risk with 'some mitigating and contingency planning, routine reviews should be carried out to ensure there is no change which makes them more severe'.

Assurance Review of the GY2219 Software Licencing

Executive Summary

OVERALL ASSURANCE ASSESSMENT



ACTION POINTS

Control Area	Urgent	Important	Needs Attention	Operational
Software Licencing policies and procedures	0	1	1	0
Software Licencing recordkeeping and monitoring	0	1	0	1
Total	0	2	1	1

No recommendations were raised in the area of Software Licencing roles and responsibilities.

SCOPE

This audit was deferred from 2020/21 to allow for Covid-19 coverage and has not been reviewed recently. This audit provided assurance over the management of 3rd party licencing arrangements, and to ensure that all software licencing agreements have been identified, recorded, and updated if required prior to expiry.

RATIONALE

- The systems and processes of internal control are, overall, deemed 'Reasonable Assurance' in managing the risks associated with the audit. The assurance opinion has been derived as a result of two 'Important' and one 'Needs Attention' recommendations being raised upon the conclusion of our work.
- The audit has also raised one 'Operational Effectiveness Matter', which sets 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.

POSITIVE FINDINGS

It is acknowledged there are areas where sound controls are in place and operating consistently:

- We observed that there are processes in place that support the implementation of changed, or new, systems in which Great Yarmouth Council and Norfolk County Council staff are involved in as required.
- The audit sampled five of the applications in use by the Council and found that licence usage and monitoring processes in place are adequate and effective within the sample selected.

ISSUES TO BE ADDRESSED

The audit has highlighted the following area where two 'Important' recommendations have been made.

Software Licencing policies and procedures

- There is a need to ensure that the IT Investment Group Terms of Reference is reviewed to reduce the risk that it is not aligned to changing Council's needs and/or accepted good practice.

- There is a need to ensure that the "GYBC System Documentation" document is reviewed to reduce the risk that it is not aligned to changes such as replacement systems or renewed contract terms.

The audit has also highlighted the following areas where one 'Needs Attention' recommendation has been made.

Software Licencing policies and procedures

- There is a need to document a formal software licencing policy to reduce the risk of unauthorised or inappropriate licence usage.

Operational Effectiveness Matters

The operational effectiveness matters, for management to consider relate to the following:

- Consideration to be given to the implementation of software auditing to assist with monitoring software licence usage across all relevant devices.

GY2317 Disabled Facilities Grants - Executive Summary

OVERALL ASSESSMENT



ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

Assurance was provided over the following strategic risk - Funding for delivery of externally funded services and initiatives does not deliver required outcomes.

KEY STRATEGIC FINDINGS



The Private Sector Adaptation and Improvement Policy is comprehensive and outlines the funding eligibility requirements and specific reference is made to the relevant legislation.



All Disabled Facility Grants commissioned were signed off as approved by the Adaptations and Improvements Team Manager.



Evidence of the post inspection of works undertaken was provided through the Technical Officer signing off the invoice prior to contractor payment being made. The Adaptations and Improvements Team Manager reconciles grants paid as per the Ocella system to the ledger on a monthly basis.



Compliance testing identified one case where the Schedule of Rates inspection sheet was not signed off as independently checked by the Technical Officer.

GOOD PRACTICE IDENTIFIED



The Council has drawn findings from the Private Sector Housing Stock Model Study as a means of evaluating the local need for grants to be awarded.

SCOPE

This audit was last carried out in 2018/19 and given a reasonable assurance grading. This work is carried out periodically to support the DFG grant return. A sample of cases was selected for full review to provide assurance that DFGs are being approved and managed appropriately.

ACTION POINTS

Urgent	Important	Needs Attention	Operational
0	0	1	0

Findings



Directed Risk:

Failure to properly direct the service to ensure compliance with the requirements of the organisation.

Ref	Expected Key Risk Mitigation		Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
GF	Governance Framework	There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.	In place	-	-
RM	Risk Mitigation	The documented process aligns with the mitigating arrangements set out in the corporate risk register.	In place	-	-
C	Compliance	Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	Partially in place	1	-

Other Findings



Governance Framework - There is a Private Sector Adaptations and Improvement Policy in place which was approved by the Housing & Neighbourhoods Committee in September 2021. It was confirmed from a review of the Council's website that the policy is published and is therefore readily available to all staff and other stakeholders if required. The Policy is marked as a live document and is therefore subject to regular review.



Risk Mitigation - A review of the Housing Risk Register confirmed that the following risk is recorded as key and is scored based on likelihood and impact – Funding for delivery of externally funded services and initiatives does not deliver required outcomes. Appropriate mitigating actions have been defined including regular monitoring of service delivery against funding requirements directly related to grant funding.



Compliance - It should be noted that there was one disabled facility grants identified as part of compliance testing that did not meet the required completion timescale of one year from the date the notice of approval was served to the client. Discussions with the Adaptions and Improvement Team Manager confirmed that this delay was caused by Government restrictions put in place in response to Covid-19. It is recognised that often grants will be awarded to vulnerable clients and therefore it was not always possible to gain entry into homes throughout the period of Covid-19 restrictions.



Delivery Risk:

Failure to deliver the service in an effective manner which meets the requirements of the organisation.

Ref	Expected Key Risk Mitigation		Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
PM	Performance Monitoring	There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.	In place	-	-
S	Sustainability	The impact on the organisation's sustainability agenda has been considered.	In place	-	-
R	Resilience	Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.	In place	-	-

Other Findings



Performance Management - Grant funding is monitored. The Housing and Neighbourhoods Committee meets on a quarterly basis where statistics are provided on the length of time to complete DFG works and the amount of grants awarded for the period.



Sustainability - The Council is responsible for maintaining the sustainability of the area. Loans and grants initiatives are key to ensuring that properties within the area are appropriately maintained. Appropriate analysis of the need for loans and grant founding has been defined within the Private Sector Adaptations and Improvement Policy. The DFG budget is determined by Norfolk County Council who receive a funding allocation from the government. A copy of the grant determination letter from the Ministry of Housing Communities and Local Government was provided and it was confirmed that the Council was allocated £1,348,045 of DFG funding for 2021/22.



Resilience - Discussions with the Adaptations and Improvements Team Manager confirmed that Occupational Therapist referrals are provided to Great Yarmouth Borough Council from Norfolk County Council. It was advised that Norfolk County Council currently has a shortage of Occupational Therapists and this has had an effect on the volume of grant applications, although not directly with Great Yarmouth BC.

Executive Summary – GY2312 Civil Contingency and Business Continuity

OVERALL ASSESSMENT



ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

Assurances were provided over the following risks – "Business Continuity" and "Incident Management - Flood Risk". See also scope section below.

SCOPE

A review of Civil Contingency and Business Continuity has not been undertaken at the Council recently. Two medium scoring risks have been raised in the Corporate Risk Register regarding the ability to respond to a flooding incident and ensuring services to residents would continue during an incident. This audit seeks to provide assurance that the Council has the necessary plans and capabilities to respond to incidents effectively.

KEY STRATEGIC FINDINGS



Although Business Continuity Plans and Emergency Response Plans are in place, they do not include reference to remote working and its potential impact on incident response.



The Council does not have sufficient Rest Centre Managers in the event that rest centres are required in response to an incident, such as flooding.



Formal training on business continuity has not been provided since 2019. Staff who joined the Council in the last two years have therefore not had any training.



The Corporate Business Continuity Plan and Framework have not been updated since 2020 and 2018 respectively.

GOOD PRACTICE IDENTIFIED



Each service has a Business Continuity Plan and Business Impact Analysis, which identify the critical activities, recovery times and resource requirements.



Processes and plans have been refined and updated throughout the Covid-19 pandemic as a result of lessons learnt from the response.

ACTION POINTS

Urgent	Important	Needs Attention	Operational
0	3	1	1

Findings



Directed Risk:

Failure to properly direct the service to ensure compliance with the requirements of the organisation.

Ref	Expected Key Risk Mitigation		Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
GF	Governance Framework	There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.	Partially in place	1, & 4	-
RM	Risk Mitigation	The documented process aligns with the mitigating arrangements set out in the corporate risk register.	Partially in place	2	-
C	Compliance	Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	Partially in place	3	-

Other Findings



Governance Framework - Each service has its own Business Continuity Plan and Business Impact Analysis, which identify the critical activities, recovery times and resource requirements for the service.



Governance Framework - The Emergency Response Plan provides an overview of incidents, roles and responsibilities, multi-agency coordination, communications, rest centres, training and recovery, which apply generally to all emergency responses. Appendices to the Emergency Response Plan provide more detailed procedures for responding to specific types of emergency.



Governance Framework - Key roles and responsibilities are defined in the Corporate Business Continuity Plan. In response to an incident, there are Gold (strategic), Silver (tactical) and Bronze (operational) groups that can be stood up. Specific responsibilities are also listed for the Chief Executive, Resilience Officer, Customer Services, Corporate Services, ICT, HR and Members.



Risk Mitigation - There are two risks relating to Business Continuity and Emergency Planning recorded on the Council's Corporate Risk Register. Mitigations for these are listed and they are managed through the Council's risk management processes.



Risk Mitigation - The Council's Coastal Manager recently retired, which has been a significant loss to the Council due to his extensive local knowledge and experience. To mitigate this, a monthly working group has been set up to facilitate information sharing between Coastal Partnership East and Environmental Health/Resilience Officer. A draft proposal has also been prepared for the incident response in the event of a cliff failure, which shows the actions and responsibilities depending on the severity of the incident.



Compliance - The Resilience Officer works with the Council's IT service to ensure that there is alignment between business continuity and the IT disaster recovery plans. This includes participation in disaster recovery exercises.



Compliance - Processes and plans have been refined and updated throughout the Covid-19 pandemic as a result of lessons learnt from the response. Partnerships, such as the Norfolk Resilience Forum, have been strengthened from collaboration in the pandemic response.



Delivery Risk:

Failure to deliver the service in an effective manner which meets the requirements of the organisation.

Ref	Expected Key Risk Mitigation		Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
PM	Performance Monitoring	There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.	In place	-	-
S	Sustainability	The impact on the organisation's sustainability agenda has been considered.	Out of scope	-	-
R	Resilience	Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.	Partially in place	3	-

Other Findings



Performance Monitoring - Service BCPs are review and updated annually. The Resilience Officer maintains a tracker spreadsheet which shows when each plan was last updated and who is responsible for it.



Resilience - In general, the Council's resilience in response to a business continuity event has improved since the outbreak of the Covid-19 pandemic, as the majority of staff now have the experience and equipment to work from home. Previously, office space and IT equipment, such as laptops, were significant constraints on business continuity planning as they would have to be allocated carefully.



Resilience - There is also resilience for specific roles: another officer from Norfolk County Council can cover if the Resilience Officer is absent, and several members of leadership and management of the Council have experience of running the internal response structures/groups and of representing the Council at the Norfolk Resilience Forum. However, managers who joined the Council in the last two years have not had this exposure or training. See Recommendation 3.

APPENDIX 3 – STATUS OF AGREED INTERNAL AUDIT RECOMMENDATIONS

			Completed between 1 April 2022 to 24 October 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													
2018/19 Audits															
GY1901	Corporate Governance	Limited					1					1			
GY1908	Capital Programme	Reasonable					1					1			
GY1909	Environmental Services	Reasonable					1	4				5			
GY1914	Procurement	Limited		1				3				3			
GY1916	Property & Asset Mgt	Reasonable						2				2			
2019/20 Audits															
GY2008	Housing Strategy and Affordable Housing	Reasonable						1				1			
GY2016	Corporate Enforcement	Reasonable					1	2				3			
GY2020	Starters, Movers, Leavers	Reasonable						1				1			
2020/21 Audits															
GY2106	HR & Payroll	Reasonable						1				1			
GY2107	Key Controls and Assurance	Reasonable						1				1			

			Completed between 1 April 2022 to 24 October 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													
2021/22 Audits															
GY2207	Counter Fraud and Corruption	Limited						1	2	5	1	9			
GY2216	Coastal Protection	Reasonable									1	1			2
GY2211	Housing Benefits and Ctax Support	Reasonable			1							0			
GY2212	Council Tax and NNDR	Reasonable		1	1						2	2			
GY2208	Accountancy Services	Reasonable										0		1	1
GY2203	Annual Governance Statement	Reasonable									2	2			1
GY2219	Software Licensing	Reasonable										0		2	1
GY2202	Risk Management	Reasonable		2	2					2	2	4			
GY2201	GYN Invoicing	Limited	2	7									4	2	
GY2205	Programme and Project Management	Reasonable													2
GY2213	Capital Programme Contracts	Substantial			2						1	1			
GY2215	Environmental Services	Limited		2	2					1		1	2	5	3
2022/23 Audits															
GY2312	Civil Contingency and Business Continuity	Reasonable										0		3	1
GY2317	Disabled Facilities Grant	Substantial													1
Total			2	13	8	0	4	16	2	8	9	39	6	13	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	31/12/2022	8	Outstanding	Update received from the Senior Performance and Data Protection Officer: "Due to the location of the containers and the need to use outside space to review and sort the files, the inclement weather experienced during the months of April & May has delayed the recommencement of this work. A further delay has now been experienced as the Data Protection Officer has been summoned for Jury Service. The project will re-start once the Data Protection Officer returns so a revised date of 31 st December is requested.
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	31/03/2023	7	Outstanding	The value of monies due from County is subject to an agreement, which is being negotiated. It is expected that this will be completed by the financial year-end.

Report	Recommendation	Priority	Responsible Officer	Due Date	Revised Due Date	Number of times revised	Status	Latest Response
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 Environmental Services	31/05/2019	31/03/2023	5	Outstanding	There have been some changes in the team, and there is now an officer in place to be able to do this. Due date revised to March 2023.

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 Environmental Services	30/04/2021	31/12/2022	1	Outstanding	<p>New IT system delayed until 2022 delivery. 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>

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	Corporate Risk Officer	30/04/2022	31/12/2022	1	Outstanding	Work in progress - request to revise the deadline to 31 December 2022.
GY2207 Counter Fraud and Corruption	Recommendation 2: An assessment of the resources required to deliver counter fraud work be undertaken.	Urgent	Corporate Risk Officer	30/04/2022	31/12/2022	1	Outstanding	Work in progress - request to revise the deadline to 31 December 2022.
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	31/12/2022	1	Outstanding	A revised deadline of 31 December 2022 has been requested by Corporate Risk Officer.
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	31/12/2022	1	Outstanding	A revised deadline of 31 December 2022 has been requested by Corporate Risk Officer.

Report	Recommendation	Priority	Responsible Officer	Due Date	Revised Due Date	Number of times revised	Status	Latest Response
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	31/12/2022	1	Outstanding	Fraud policies on the Loop and Website are still be uploaded by the IT team following resolving accessibility issues which is preventing progress with this recommendation – revised implementation dated 31 December 2022.
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	31/12/2022	1	Outstanding	A revised deadline of 31 December 2022 has been requested by Corporate Risk Officer.
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	Corporate Risk Officer	30/06/2022	31/12/2022	1	Outstanding	A revised deadline of 31 December 2022 has been requested by Corporate Risk Officer.
GY2215 Environmental Services	Recommendation 5: The 2020 Air Quality Annual Status Report (ASR) be submitted to DEFRA and then reported to the Environment Committee.	Important	Senior Environmental Protection Officer	30/09/2022	30/12/2022	1	Outstanding	The report has been completed and was submitted to Defra- however they have identified some technical calculations errors and sent this back for amendment. We will be looking to rectify and resubmit the report shortly. Once this has been accepted it will then reporting to Env Committee.
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	Important	Corporate Risk Officer	31/08/2022	31/12/2022	1	Outstanding	Work in progress - request to revise the deadline to 31 December 2022.

Report	Recommendation	Priority	Responsible Officer	Due Date	Revised Due Date	Number of times revised	Status	Latest Response
	partnerships whilst keeping a track of all key risks. The PR 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	31/12/2022	1	Outstanding	Copies of Services Risk Registers have been requested from HoS and to be presented at the CRG on 31 October 2022. To date I have received 3 Service Risk Registers. This exercise has identified that some service areas have not completed a Service Risk Register and are in the process of implementing this.