

Subject: REPORT ON THE STATUS OF AUDIT RECOMMENDATIONS

Report to: Audit and Risk Committee, 6 December 2021

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 November 2021.

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: 4 June 2021 to 25 November 2021

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 2017/18 internal audit raised 119 recommendations, 118 of which have now been implemented. One important recommendation remains outstanding from the Corporate Health and Safety report.

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

Number raised	119	
Complete	118	99%
Outstanding	1	1%

- 2.4 In 2018/19 internal audit raised 113 recommendations. In total, 98 have been implemented. Of those remaining, one needs attention recommendation was rejected by management, and 14 are outstanding (4 important, 10 needs attention).

The June 2019 year end follow up report provided details of the important recommendation rejected by Management.

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

Number raised	113	
Complete	98	87%
Outstanding	14	12%
Rejected	1	1%

- 2.5 In 2019/20 a total of 100 recommendations have been agreed; of these, 87 have now been implemented. A total of 13 recommendations are outstanding (3 important and 10 needs attention).

Number raised	100	
Complete	87	87%
Outstanding	13	13%

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

Number raised	29	
Complete	27	90%
Outstanding	2	10%

- 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. We have not received the required updates for the Corporate Enforcement recommendations in time for this report despite requesting these from the Head of Environmental Services on a number of occasions. This has been escalated to senior management.
- 2.8 We now urge management to work on resolving historical recommendations in time for year end reporting as these recommendations still represent relevant improvements to the control framework that are required to prevent risks from occurring in these areas.

APPENDIX 1 – SUMMARY STATUS OF AGREED INTERNAL AUDIT RECOMMENDATIONS

			Completed between 1 April 2021 and 25 November 2021			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					1			
GY1811	Accounts Receivable	Reasonable		1								0			
2018/19 Audits															
GY1901	Corporate Governance	Limited					1					1			
GY1908	Capital Programme	Reasonable					1					1			
GY1909	Environmental Services	Reasonable					1	5				6			
GY1914	Procurement	Limited					1	3				4			
GY1916	Property & Asset Mgt	Reasonable						2				2			
2019/20 Audits															
GY2001	GYB Services	Reasonable		1	1			1				1			
GY2005	Council Tax and NNDR	Reasonable						1				1			
GY2007	S106 Agreements	Reasonable					1					1			
GY2008	Housing Strategy and Affordable Housing	Reasonable						1				1			
GY2016	Corporate Enforcement	Reasonable					2	2				4			
GY2019	Cyber Crime	Reasonable						2				2			
GY2020	Starters, Movers, Leavers	Reasonable						3				3			
2020/21 Audits															
GY2102	Corporate Governance	Reasonable			1							0			
GY2106	HR & Payroll	Reasonable		1				1				1			
GY2107	Key Controls and Assurance	Reasonable									1	1			
Total			0	3	2	0	8	21	0	0	1	30	0	0	0

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APPENDIX 2 – OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS – 2017/18

Report	Recommendation	Priority	Responsible Officer	Due Date	Revised Due Date	Status	Latest Response
GY1801 Corporate Health and Safety	Recommendation 6: A variation to the GY Norse contract is raised in line with the GYBS and SLT H&S contract clauses. This is agreed by the board. Sufficient H&S clauses in the contract should clearly outline the H&S responsibilities of the GY Norse and mitigate the risk that any H&S liabilities created by GY Norse are passed onto the Council.	2	Head of Property and Asset Management	31/10/2017	31/01/2022	Outstanding	The new contract incorporating the recent Asset changes has been drafted and approved by GYBC we are awaiting confirmation from Norse Solicitors for completions – NPLaw are chasing and we anticipate closure in the coming weeks.

APPENDIX 3 – OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS – 2018/19

Report	Recommendation	Priority	Responsible Officer	Due Date	Revised Due Date	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	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	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.

Report	Recommendation	Priority	Responsible Officer	Due Date	Revised Due Date	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 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	28/02/2022	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 February has been added.
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	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 4 – OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS – 2019/20

Report	Recommendation	Priority	Responsible Officer	Due Date	Revised Due Date	Status	Latest Response
GY2007 S106 Agreements	Recommendation 2: Policy for all key areas covered by S106 agreements be created through the Part 2 Local Plan and communicated to stakeholders (through publication on the website, through the Developers' Forum and other routes).	2	Strategic Planning Manager	31/01/2021	31/12/2021	Outstanding	The Local Plan Part 2 Planning Inspectors report was received on 5 th November 2021, and the Council can now proceed to adoption. The Plan will be considered for adoption by Full Council on 9 th December 2021.
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	Outstanding	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. File storage being rationalised and cleared out by Business Support team, files being deleted and paper copies being scanned.
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	28/02/2022	Outstanding	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.