

Subject: REPORT ON THE STATUS OF AUDIT RECOMMENDATIONS

Report to: Audit and Risk Committee, 14 June 2021

Report by: Faye Haywood, Internal Audit Manager 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 31 March 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: 5 February 2021 to 3 June 2021

Responsible Officer: Faye Haywood – Internal Audit Manager

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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, 117 of which have now been implemented. Two important recommendations remain outstanding, one from the Corporate Health and Safety report and one from the Accounts Receivable.

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

Number raised	119	
Complete	117	98%
Outstanding	2	2%

- 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, 83 have now been implemented. A total of 17 recommendations are outstanding (6 important and 11 needs attention).

Number raised	100	
Complete	83	83%
Outstanding	17	17%

- 2.6 In 2020/21 a total of 19 recommendations have been agreed. 17 have been completed and two needs attention are outstanding.

Number raised	19	
Complete	17	89%
Outstanding	2	11%

- 2.7 All recommendations are assigned at senior management level, with the position in implementing urgent audit recommendations being discussed at Executive Leadership Team meetings. We do however recommend that senior management monitor the position of implementing important recommendations as the number of outstanding has increased and a number of historical recommendations remain outstanding. In some cases, updates have not been provided to Internal Audit when requested. The management response in relation to the outstanding important recommendations can be seen at **Appendix 4** of the report.

APPENDIX 1 – SUMMARY STATUS OF AGREED INTERNAL AUDIT RECOMMENDATIONS

			Completed between 5 February 2021 and 31 March 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					1			
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		2			1	3				4			
GY1916	Property & Asset Mgt	Reasonable			2			2				2			
2019/20 Audits															
GY2001	GYB Services	Reasonable					1	2				3			
GY2005	Council Tax and NNDR	Reasonable						1				1			
GY2007	S106 Agreements	Reasonable		1						1		1			
GY2008	Housing Strategy and Affordable Housing	Reasonable						1				1			
GY2010	Corporate Governance	Reasonable		1	1							0			
GY2014	Key Controls & Assurance	Reasonable		1	2							0			
GY2016	Corporate Enforcement	Reasonable		1			2			2	2	6			
GY2018	Data Centre and Back Up	Reasonable		1								0			
GY2019	Cyber Crime	Reasonable						2				2			
GY2020	Starters, Movers, Leavers	Reasonable									3	3			
2020/21 Audits															
GY2102	Corporate Governance	Reasonable		1	1						1	1			
GY2105	Housing Rents	Reasonable		1	5							0			
GY2104	Accounts Payable	Substantial			1							0			
GY2106	HR & Payroll	Reasonable		4	4						1	1			
Total			0	13	16	0	9	16	0	3	7	35	0	0	0

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	31/04/2021	Outstanding	We are now in the process of varying the contract to return elements of the Asset Management Service to GYBC which will require a complete review of the Joint Venture Agreement these changes will be incorporated with the new agreement due to be in place for April 2021.
GY1811 Accounts Receivable	Recommendation 2: Service Level Agreements (SLA) to be documented/formalised for all service areas, in line with the collection and recovery processes documented in the Sundry Income and Debt Policy. These are to be signed by the Head of Customer Services and the respective head of service. These should include responsibilities of both parties and key timescales required from the debtors' team and service area.	2	Head of Customer Services	31/03/2019	15/06/2021	Outstanding	Due to more demand on the team, this has been delayed. I am moving the deadline for this reason to 15 June 2021.

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	31/12/2021	Outstanding	Please could this recommendation be updated with: The National COVID vaccination program is still in progress therefore it has not been possible to recommence this work, please could a further extension be requested until 31st Dec 2021.
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	30/09/2021	Outstanding	Due to other priorities in the service this work has not yet been completed. This is due to be updated in time for the year end.
GY1909 Environmental Services	Recommendation 1: 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	30/04/2020	Update required	This is programmed for when a new resource is available. Further update required.
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	2	Finance Director	30/09/2019	30/09/21	Outstanding	The CSO's have been updated and approved, the procurement strategy is under review and a revised deadline agreed.

Report	Recommendation	Priority	Responsible Officer	Due Date	Revised Due Date	Status	Latest Response
	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.						

APPENDIX 4 – OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS – 2019/20

Report	Recommendation	Priority	Responsible Officer	Due Date	Revised Due Date	Status	Latest Response
GY2001 GYB Services	A programme of KPI spot checks is completed to sample check KPIs on a rolling basis. This is to verify that there is supporting evidence in place to confirm the outturn figures presented. Furthermore, a definition for each KPI be recorded and centrally kept by the Council against which KPIs can be checked.	2	Head of Environmental Services	31/12/2019	31/03/2020	Update needed	<p>'A review of KPIs is being completed on Ops meeting planned for 4th March. This will include what evidence will be available for each indicator.'</p> <p>We will then start to monitor these Qtr 1 20/21, this has been delayed due to the street cleansing review work that has had to be completed.'</p>
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	30/09/2021		We now expect to have the policy adopted by end of September 2021. The slippage was due to covid-19 impacting upon consultation procedures last year and impacting upon the availability of the Planning Inspector to examine the plan.'
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. Rationale & risk: The Council may not be compliant with GDPR and may incur financial penalties of non GDPR compliance.	2	Head of Environmental Services	30/04/2021		Update needed	
GY2016 Corporate Enforcement	Recommendation 3: Performance standards be agreed between the Council and NPLaw to ensure that appropriate level of service is received from NPLaw and to help ensure that prosecutions are undertaken timely.	2	Head of Environmental Services	31/12/2020		Update needed	
GY2016 Corporate Enforcement	Recommendation 4: Regular meetings to be held with service team leaders to discuss problematic businesses/individuals so that enforcement action is undertaken as appropriate.	2	Head of Environmental Services	30/09/2020		Update needed	

Report	Recommendation	Priority	Responsible Officer	Due Date	Revised Due Date	Status	Latest Response
GY2016 Corporate Enforcement	Recommendation 5: An action plan be developed on how the Anti-Social Behaviour strategy is to be delivered. Once approved the Anti-Social Behaviour action plan should be presented to the Council's Housing and Neighbourhood Committee.	2	Community Protection Manager	31/12/2020	31/06/2021	Outstanding	Work has commenced on the development of the plan although this continues to be hampered by our wider work around the pandemic. Meetings have been held with stakeholders with a view to standardising the GYBC response to ASB matters and how we can maximise multi-agency working. Regarding a revised implementation date, it's difficult to be specific as we are not sure as to the level of assistance we will be required to provide once lockdown ends. The ASB Co-ordinator is on the redeployment list (18.5 hours/week) so completion of the plan may well be some way off.