

# Eastern Internal Audit Services



## BRECKLAND DISTRICT COUNCIL

### Follow Up Report on Internal Audit Recommendations

Period Covered: 1 April to 31 October 2015

Responsible Officer: Emma Hodds – Internal Audit Consortium 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 Audit Executive (known in this context as the Internal Audit Consortium Manager) 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 now also reflects the year in which the audit was undertaken to enable the Committee to easily identify old outstanding recommendations. The table also identifies between outstanding recommendations that have previously been reported to this Committee and then those which have become outstanding this time round.
- 2.3 The summary position according to recommendation priority is shown in the table below, with the previously reported position in the first table and the current position in the second table to enable comparison:

<b>Status of Recommendations as at 31 March 2015</b>					
	<b>P1</b>	<b>P2</b>	<b>P3</b>	<b>Total</b>	<b>%</b>
<b>Complete</b>	3	4	4	11	52%
<b>Outstanding</b>	1	7	2	10	48%
<b>Unable to confirm status</b>					
<b>Total</b>	4	11	6	21	

<b>Status of Recommendations as at 31 October 2015</b>					
	<b>P1</b>	<b>P2</b>	<b>P3</b>	<b>Total</b>	<b>%</b>
<b>Complete</b>	1	11	5	17	61%
<b>Outstanding</b>	1	8	2	11	39%
<b>Unable to confirm status</b>					
<b>Total</b>	2	19	7	28	

**Key:**

Priority 1 – Urgent: Fundamental control issue on which action to implement should be taken within 1 month.

Priority 2 – Important: Control issue on which action to implement should be taken within 3 months.

Priority 3 – Needs Attention: Control issue on which action to implement should be taken within 6 months.

2.4 Also attached to this report is **Appendix 2** which details the one urgent recommendation in relation to Disaster Recovery, which is currently outstanding, and provides management response in relation to this.

2.5 The Committee's attention is drawn to the following six recommendations which have previously been reported as outstanding.

#### 2.5.1 Data Centre, Back Up and Disaster Recovery

As highlighted at paragraph 2.4 there is one urgent recommendation and also one important recommendation outstanding from this 2013/14 audit review. The urgent recommendation relates to developing and implementing appropriate disaster recovery plans and the important recommendation relates to subsequent testing of these plans. Management response has indicated that IT are actively finalising the implementation of its disaster recovery (DR) site and the ability to replicate and restore virtual servers at the Thetford DR location. Once this has been finalised the restore order for systems can be confirmed and the DR plan finalised. Formal testing of this is due to then take place in the new year, with an internal audit review planned for February to be able to review and see the test in action. A revised date of 29 February 2016 has therefore been agreed.

#### 2.5.2 Data Protection and Freedom of Information

This audit was concluded in 2014/15 with two important recommendations still to be implemented. The first recommendation relates to the Council's publication scheme, the review of this is currently being finalised and is expected to be complete by the end of December 2015. The second recommendation relates to the Council's Vexatious or Repeated Complaints policy, which again is being finalised with a revised date of the end of December 2015 for completion

#### 2.5.3 Localism and Communities

This audit was also concluded in 2014/15 and has two important recommendations outstanding. The first is to ensure that the process for assessing Right to Challenge applications is ascertained and formally documented, with management indicating that closure of this recommendation will be by the end of December 2015. The second recommendation relates to developing guidance for staff on how to reclaim previously issued community grants where it is understood that they have not been used in accordance with the prescribed terms and conditions, this is also work in progress and will be complete by the end of December 2015.

2.6 The remaining five outstanding recommendations are reported to the Audit Committee for the first time and satisfactory responses have been received from management.

2.7 It is worth noting that of the recommendations made to date in year, a further 31 recommendations are not yet due for implementation, four of which carry an urgent rating – see **Appendix 1** for the audit areas to which these relate. As mentioned although the dates for completion have not yet been reached, until they are actioned, they represent weaknesses in the control environment which leave the authority open to risk.

2.8 The implementation of internal audit recommendations by management remains consistent, with the majority of recommendations actioned within the original agreed timeframe. Where the deadline dates are extended a satisfactory response is provided by management and a realistic timeframe for implementation proposed.

## APPENDIX 1 – STATUS OF AGREED INTERNAL AUDIT RECOMMENDATIONS

			Completed bt 06/07/2015 and 31/10/2015			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													
<b>2013/14 Internal Audit Reviews</b>															
BRK/14/16	Data Centre, Backup and Disaster Recovery	Limited		1		1	1					2			
<b>2014/15 Internal Audit Reviews</b>															
BRK/15/02	Data Protection and FCI	Good / Adequate		1			2					2			
BRK/15/03	Localism and Communities	Adequate			1		2					2			
BRK/15/04	Affordable Housing	Limited										0		1	
BRK/15/06	Creditors	Good			1							0			
BRK/15/07	Procurement	Good								1		1			
BRK/15/11	Payroll and Human Resources	Adequate		2						2		2			
BRK/15/12	Asset Management	Adequate		2								0		2	1
BRK/15/15	BACS Application	Adequate			1							0			
BRK/15/16	Payroll i Trent System	Adequate		1	1						1	1			
<b>2015/16 Internal Audit Reviews</b>															
BRK/16/03	Capita Performance Information	Limited		1						1		1		1	1
BRK/16/04	Development Control	Reasonable		2								0		5	
BRK/16/07	Building Control	Limited	1	1								0	2	1	1
BRK/16/08	Leisure Facilities and Culture	Substantial			1							0			
BRK/16/15	Software Licence Management	Limited										0	1	3	2
BRK/16/16	Starters, Movers and Leavers	Reasonable										0		3	2
BRK/16/17	Patch and Change Management	Reasonable										0	1	4	
<b>TOTALS</b>			<b>1</b>	<b>11</b>	<b>5</b>	<b>1</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>2</b>	<b>11</b>	<b>4</b>	<b>20</b>	<b>7</b>

**APPENDIX 2 – OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS**

Description	Recommendation	Priority	Impl Date	Responsible Officer	Progress On Implementation	Revised Impl Date
<b>Priority One - Urgent Recommendations</b>						
BRK1416 Data Centre, Back Up & Disaster Recovery	Management should work with Nbrfolk County Council to develop and agree and implement appropriate Disaster Recovery Plans that adequately support Breckland District Council's defined business priorities as set out in their Business Continuity Plan.	1	30-Apr-14	ICT Project Manager	IT is actively finalising the implementation of its DR site and the ability to replicate and restore virtual servers at the Thetford DR location. Once this is in place the business will be able to prioritise the restore order for systems and IT will produce a DR plan to meet the requirements of the business. It should be noted that this work is being assessed by Tiaa Ltd at the beginning of 2016, hence the revised implementation date. Revised deadline agreed for 29/02/2016	29-Feb-16