

Eastern Internal Audit Services



BRECKLAND DISTRICT COUNCIL

Follow Up Report on Internal Audit Recommendations

Period Covered: 31 March 2018 to 30 November 2018

Responsible Officer: Faye Haywood – Internal Audit Manager for Breckland DC

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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 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 recommendations are subsequently uploaded on to the Council's performance management system Pentana, with this alerting management to update progress in advance of the due date through email alerts. Management action to date is then input with internal audit then either verifying the evidence provided and closing the recommendation or agreeing to the extension date provided.

Escalation is also in place to deal with non-responses or recommendations which have been overdue for a long time through the Performance, Risk and Audit Board and through the Finance Board as required due to the statutory requirements of the Section 151 Officer to ensure that appropriate risk mitigation action is being taken. Ultimately further escalation is through the Executive Management Team.

- 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 and 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 All of the 75 recommendations raised in 2015/16 are now closed, and evidence has been provided to verify this.
- 2.4 In 2016/17 internal audit raised 56 recommendations. 53 of which have been implemented by the agreed date, three of which are outstanding (two important and one needs attention). The management responses in relation to these outstanding recommendations can be seen at **Appendix 2** of the report.

Number raised	56	
Complete	53	95%
Outstanding	3	5%

- 2.5 In 2017/18 Internal Audit raised 77 recommendations, 57 of which have been implemented by the agreed date. 14 recommendations are now outstanding (two urgent, seven important and five needs attention) and the remaining five are not yet due. One priority three recommendation (as previously reported) has been rejected by management and will therefore not be followed up.

The management responses in relation to the two urgent and seven important outstanding recommendations can be seen at **Appendix 3** of the report.

Number raised	77	
Complete	57	74%
Outstanding	14	18%
Not yet due	5	7%
Disagreed	1	1%

- 2.6 In 2018/19 Internal Audit has raised 13 recommendations all of which are not yet due for implementation.

Number raised to date	13	
Complete	0	0%
Outstanding	0	0%
Not yet due	13	100%

- 2.7 Good progress continues to be made in addressing historic recommendations, however we would urge management to focus on completion of the three recommendations that were raised in 2016/17 and the urgent and important recommendations raised in 2017/18. In particular, by using the Pentana system to keep recommendations up to date and reporting progress to the Performance and Risk Board.
- 2.8 In relation to the internal audit recommendations that were raised across the board for all members of the ARP in the areas of council tax, national non-domestic rates, benefits, overpayments and enforcement these are currently being reviewed as part of the audits that are underway at present. It is proposed that a report on these will be provided to the Governance and Audit Committee in due course.

APPENDIX 1 – STATUS OF AGREED INTERNAL AUDIT RECOMMENDATIONS

			Completed bt 31/03/2018 & 30/11/2018			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													
2015/16 Internal Audit Reviews															
BRK1619	Business Continuity Planning and Disaster Recovery	Limited		5								0			
2016/17 Internal Audit Reviews															
BRK1704	Environmental Services - Contaminated Waste	Reasonable					1					1			
BRK1708	LABV	Substantial						1				1			
BRK1709	Licensing and Business Support (J)	Reasonable					1					1			
2017/18 Internal Audit Reviews															
BRK1802	Private Sector Housing	Limited	1	5	1				2		2	4		1	
BRK1806	Environmental Protection (J)	Limited		3	6					1	1	2			
BRK1808	Environmental Services	Reasonable		1								0			
BRK1810	Accounts Receivable	Substantial			1							0			
BRK1811	Income	Reasonable		1	1							0			
BRK1814	Planning	Reasonable		1			1				2	3			
BRK1815	Corporate Governance (J)	Reasonable		2	3							0			
BRK1816	Risk Management (J)	Substantial			1							0			
BRK1821	Cybersecurity	Limited		2						5		5			4
2018/19 Internal Audit Reviews															
BRK1903	ARP Governance	Reasonable										0		2	3
BRK1904	Food, Health and Safety	Reasonable										0		1	1
BRK1905	Democratic Services	Reasonable										0		3	3
TOTALS			1	20	13	0	3	1	2	6	5	17	0	7	11

APPENDIX 2 and 3 OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS