

Eastern Internal Audit Services



BRECKLAND DISTRICT COUNCIL

Follow Up Report on Internal Audit Recommendations

Period Covered: 6 January 2020 28 September 2020

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 In 2017/18 Internal Audit raised 77 recommendations, 73 of which have been implemented by the agreed date. Four recommendations are now outstanding (two important and four needs attention). One recommendation was rejected by management and has previously been reported to the committee.

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

Number raised	77	
Complete	72	94%
Outstanding	4	5%

Disagreed	1	1%
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- 2.5 In 2018/19 Internal Audit has raised 70 recommendation, 55 of which are now complete. A total of 15 recommendations are outstanding (four important and 16 needs attention). Details of the important outstanding recommendations can be found at **Appendix 3** of this report.

Number raised to date	70	
Complete	55	79%
Outstanding	15	21%

- 2.6 In 2019/20 a total of 24 recommendations have been raised and agreed so far. A total of 18 have been completed. A total of six (one important and three needs attention) recommendations are outstanding. Details of the important outstanding recommendation can be found at **Appendix 4** of this report.

Number raised to date	24	
Complete	18	75%
Outstanding	6	25%

- 2.7 At the Governance Risk and Audit Committee in January 2020 it was reported that historical recommendations remained, and numbers of outstanding recommendations were increasing despite regular updates being requested by Internal Audit.

We are pleased to report that the number of outstanding historical recommendations has significantly decreased since the last meeting. We have been able to verify a number of urgent and important recommendations as complete. Most notably we have also been able to confirm all outstanding recommendations from 2016/17 are now implemented. Good progress is also being made against recommendations raised in 2019/20.

We will continue to monitor outstanding recommendations in partnership with the Performance Risk and Audit Board in 2020/21 to ensure that the number of outstanding continues to decrease and that risk and control issues identified during internal audits are rectified in a timely manner.

- 2.8 Due to the impact that the Coronavirus Pandemic has had on the Council, we have recognised that some officers have not been able to respond to our request for updates to outstanding recommendations due to having been redeployed to front line services or due to needing to reprioritise their workload. Where we have not been able to obtain an update, this has been highlighted in the Appendices. We request that the Committee notes that none of these overdue recommendations are of urgent priority. We will therefore endeavour to obtain an update in time for the next Committee meeting.

APPENDIX 1 – STATUS OF AGREED INTERNAL AUDIT RECOMMENDATIONS

			Completed by 6 January 2020 24 September 2020			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 Internal Audit Reviews															
BRK1802	Private Sector Housing	Limited			2						0				
BRK1821	Cyber Security	Limited					3	1			4				
2018/19 Internal Audit Reviews															
BRK1902	Economic Development	Reasonable			1						0				
BRK1906	Housing Needs	Limited			2			1			1				
BRK1916	Cyber Security	Reasonable					3	11			14				
BRK1918	Software Licencing	Reasonable		1	1						0				
2019/20 Internal Audit Reviews															
BRK2002	Planning	Reasonable					1				1				
BRK2004	Environmental Protection	Reasonable			1			1			1				
BRK2010	Income	Substantial			1						0				
BRK2011	Corporate Governance	Reasonable							1		1				
BRK2014	Asset Management	Substantial						1		2	3				
TOTALS			0	1	8	0	7	15	0	1	2	25	0	0	0

APPENDIX 2 2017-18 - OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS

Audit Reference	Responsible Officer	Recommendations	Priority	Status	Original Date	Revised Date	Latest Notes
BRK1821 Cyber Security	IT Manager – Simon Stubbs	Recommendation 2. The Council to conduct a review of the ICT Security policy, including suggested policy adjustments related to Cyber threats and as laid out in subsequent actions in this report, and communicate it to all relevant officers and members.	Medium	Outstanding	31/07/2018	29/01/2021	<p>As per the update from the shared IT Manager in August 2020, the decision has been taken to do a full overhaul of the IT security policy. It is estimated that the rewrite will require a four month extension to complete.</p> <p>In respect of the specific action and in light of the bigger picture we did not pursue a sign off of the updated ICT Security Policy in isolation.</p>
BRK1821 - Cybersecurity	IT Manager – Simon Stubbs	Recommendation 7. The Council to conduct a risk assessment of the lack of firewall resilience and to deploy additional resilience in this area as appropriate.	Medium	Outstanding	31-Aug-18	29/01/2021	The upgrade to the internet circuit has now been completed successfully which was one of the requirements on the critical path to get the HA firewalls in place. The next step will be to work with the data circuit provider and the firewall supplier to plan and implement the HA firewall pair. The work will be more difficult due to requiring more than one person in the office to undertake this however it is estimated that the work can be completed by January 2021.
BRK1821 Cyber Security	IT Manager – Simon Stubbs	Recommendation 8. The Council to ensure that, once connectivity to provide seamless service during a disruption at either site is in place, the functionality is tested on a periodic basis.	Medium	Outstanding	31/08/2019	30/10/2020	The test that was schedule to take place has been postponed due to the current working arrangements caused by the pandemic. The risk of changing the network configuration at both Councils while trying to provide remote solutions was too great. This work will be undertaken at a date in the future when the network risks are reduced.

APPENDIX 2 – 2018-19 OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS

Audit Reference	Responsible Officer	Recommendations	Priority	Status	Original Date	Revised Date	Latest Notes
BRK1916 Cyber Security	Shared IT Manager	User Education and Awareness To achieve level 3 a formal training programme has to be established, with relevant structured training for users, line-management, board and technical staff. Records must be maintained of all employees who have received the training.	Important	Outstanding	31/07/2019	New date required	Management update required.
BRK1916 Cyber Security	Shared IT Manager	Home and Mobile Working To achieve level 2 a secure VPN must be developed for users to connect to the organisation. A secure baseline build which includes device encryption is applied to all types of mobile devices used by the organisation. At present, device encryption is applied to laptop and tablet devices only.	Important	Outstanding	28/06/2019	New date required	Management update required.
BRK1916 Cyber Security	Shared IT Manager	Home and Mobile Working To achieve level 3, full compliance with recommendation HMW2 is required. In addition a Mobile Device Management (MDM) Solution must be implemented. All users of remote solutions must be	Important	Outstanding	30/08/2019	New date required	Management update required.

Audit Reference	Responsible Officer	Recommendations	Priority	Status	Original Date	Revised Date	Latest Notes
		supported with training in cyber awareness and safe mobile working arrangements. Clear procedures must direct users on: - secure storage and management of user credentials; - incident reporting; and - environmental awareness.					

APPENDIX 3 – 2019-20 OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS

Audit Reference	Responsible Officer	Recommendations	Priority	Status	Original Date	Revised Date	Latest Notes
BRK2002 – Planning BAUDPLA004	Director of Planning and Building Control – Tracy Booker	All S106 agreements are reviewed, to determine whether any trigger points have been hit, with the requisite action(s) taken where necessary and with regular monitoring thereafter.	2	Outstanding	31/12/2019	31/12/2020	The Council has outsourced the review of its S106 agreements to Birketts. The Solicitor that has been overseeing this was placed on furlough so as a result there has been little movement in the last couple of months. We are not entirely sure when she will be returning to work full time so we suggest a revision to the end date to December 2020 on the understanding that we will pick this up with her, reassessing the work and timetables, as soon as she returns from this period of absence.
BRK2011 – Corporate Governance	Information Governance Officer	All service areas at both Councils, along with their Data Protection Champions, to provide the Information Governance Officer with their completed Information Asset Registers, forthwith and in doing so, confirming their accuracy and completeness.	2	Outstanding	01/06/2020	31/12/2020	Deadline extended due to impact of COVID 19.