North East Derbyshire District Council

Audit and Corporate Governance Scrutiny Committee

22nd November 2018

Implementation of Internal Audit Recommendations

Report of the Internal Audit Consortium Manager

This report is public

Purpose of the Report

- To present, for members' information, a summary of the internal audit recommendations made and implemented for the financial years 2016/17 - 2018/19.

1   Report Details

1.1   This report is to inform Members of the Audit Corporate Governance and Scrutiny Committee of the progress made in respect of implementing internal audit recommendations in order that action can be taken if progress is deemed unsatisfactory. The implementation of internal audit recommendations is also monitored quarterly at Directorate meetings.

1.2   Appendix 1 details the outstanding internal audit recommendations as at the end of October 2018. The front page of the Appendix provides an analysis of the number of recommendations made and implemented for the financial years 2016/17 – 2018/19.

1.3   The timely implementation of internal audit recommendations helps to ensure that the risk of fraud and error is reduced and that internal controls are operating effectively.

1.4   It is proposed that this report is brought to the Committee on a 6 monthly basis.

2   Conclusions and Reasons for Recommendation

2.1   To inform Members of the internal audit recommendations outstanding so that it can be assessed if appropriate and timely action is being taken.

3   Consultation and Equality Impact

3.1   None

4   Alternative Options and Reasons for Rejection

4.1   Not Applicable

5 Implications

5.1 Finance and Risk Implications

5.1.1   Regular reports on progress against the implementation of internal audit recommendations ensures compliance with the Public Sector Internal Audit Standards and allows members to monitor progress.

5.2 Legal Implications including Data Protection

5.2.1   None

5.3 Human Resources Implications

5.3.1   None

6 Recommendation

6.1   That the report be noted.

7 Decision Information

Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds: BDC: Revenue - £75,000 ☐ Capital - £150,000 ☐ NEDDC: Revenue - £100,000 ☐ Capital - £250,000 ☐ ☑ *Please indicate which threshold applies*	No
Is the decision subject to Call-In? (Only Key Decisions are subject to Call-In)	No
Has relevant Portfolio Member been informed?	NA
District Wards Affected	All
Links to Corporate Plan priorities or Policy Framework	All

8 Document Information

Appendix No	Title
Appendix 1	Summary of Internal Audit recommendations made and implemented 2016/17 – 2018/19
Background Papers (These are unpublished works which have been relied	

on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
N/A	
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JENNY WILLIAMS

INTERNAL AUDIT CONSORTIUM MANAGER

AGIN4(c)A&CGS(1122)2018   Implementation of Internal Audit Recommendations

Internal Audit Consortium - Report to Audit Corporate Governance and Scrutiny Committee
Summary of Internal Audit Recommendations made and implemented 2016/17 – 2018/19

Recommendations Made	2016/17	2017/18	2018/19
Number of High Priority	18	0	4
Number of Medium Priority	24	35	27
Number of Low priority	22	36	30
Total	**64**	**71**	**61**
Recommendations Implemented	**62**	**65**	**13**
High Recommendations Outstanding	0	0	0
Medium Recommendations Outstanding	1	2	2
Low Recommendations Outstanding	1	4	3
Not overdue yet	0	0	43
Total Overdue Recommendations	2	6	5
Percentage due implemented	**97%**	**92%**	**72%**

Audit	Recommendation Outstanding	Priority	Managers Comment
Discretionary Housing Payments – July 16	The DHP policy is reviewed as per section 4.1 of the 2013 policy and in line with Cabinet minute 679	Medium	The DHP policy will be reviewed. This will be completed by 31st December 2018.
Discretionary Housing Payments – July 16	A copy of the DHP policy is included within the Corporate Policies section of the internal NEDDC website.	Low	When the policy has been reviewed the new version will be placed on the website. The policy review is due to be completed by 31st December 2018.
Business Continuity - May 17	The frequency of which business continuity training / exercises are undertaken requires increasing.	Low	The current schedule will be reviewed and increased to include service area plans - this is being developed at present and will be circulated during quarter 1 18/19
Business Continuity – May 17	The production of an annual report to Members outlining the years' activities for emergency planning and business continuity and an action plan for the forthcoming year is reintroduced.	Low	This will be developed and scheduled / agreed with CEO - we aim to circulate during quarter 1 18/19
Disabled Facilities Grants – Sept 17	A review of the website information relevant to DFG across both Council's should be considered to ensure consistency in the availability of	Low	Countywide information has still not been agreed and therefore interim information will be uploaded by the next quarter

	information and to share best practice / documentation		
Housing Benefits – August 2017	Procedures to support the benefits quality assurance process should be reviewed and updated to ensure they reflect current practice in respect of parameters applied and the new process in place.	Low	The procedures are currently being reviewed and they will be updated by 30/11/18.
Housing Benefits – August 2017	The Housing Benefit Overpayment Recovery Process should be reviewed with consideration of the points highlighted during the audit (NB: a breakdown of suggested areas for review was provided to the Revenues & Benefits Manager at the close of the audit).	Medium	This is still ongoing and should be completed by 30/11/18.
Food Hygiene Enforcement – November 17	An overarching quality assurance process for food safety should be documented with consideration of FSA requirements and, as a minimum, an overview of the following areas: - Overview of the work	Medium	Due to other work priorities this work process is still ongoing and will be progressed during 2018/19

	programme process to ensure all premises are timely inspected and reviewed, - Monitoring progress of the planned intervention programme, - Peer review frequencies and requirements, - Adhoc reviews of inspections by EHO's to ensure availability and full completion of inspection / audit paperwork - Consideration of internal performance indicators including issuing of 'stickers' within 14 days.		
System Security – May 2018	Procedures for System Administrators to report security incidents via the ICT Servicedesk should be restated to ensure that all system risks are identified and mediated as necessary.	Low	Awaiting Heads of Service to confirm / update system administrators
Land Charges – May 18	The use of the Land Charges book (used to record incoming Local Land Charge requests) is discontinued as it is a duplication of the electronic system.	Low	Need to confirm if implemented on PERFORM

	For Fast Track applications, the current paper-based book recording system is transferred to an electronic format.		
Land Charges – May 18	Independent checks of the content and quality of searches completed are performed periodically.	Medium	Need to confirm if implemented on PERFORM
VAT – June 18	The correct VAT treatment for raising accounts for improvement notices under the Housing Act 2004 should be applied going forward (with any corrections made to historic accounts where applicable).	Low	Clarification needs to be sought from Environmental health before adjustments can be made. Audit have issued a memo to this effect to prompt communication between the two departments.
Transport Follow up part 2 – July 18	The range of reports required from the Tranman system are considered to determine the most cost effective way of producing a functional library of operational reports.	Medium	SB/PB to assess current report library and modify these where required by way of internal Crystal report capability or Civica Tranman support.