



Governance & Audit Committee – 29 November 2017

Progress on Implementation of Internal Audit Recommendations

Purpose of report

To provide Members with information on the progress made on the implementation of Internal Audit recommendations at November 2017.

Appendix A – Summary of outstanding audit recommendations

1.0 Background

- 1.1 The Welland Internal Audit Consortium provided the Internal Audit service for 2016/17 at East Northamptonshire Council.
- 1.2 On 26 April 2017, the Governance and Audit Committee was provided with information on the progress made against the Audit Plan for 2016/17, along with an update on the implementation of outstanding audit recommendations.
- 1.3 Due to the number of outstanding audit recommendations that were rated at a high or medium priority level where the due implementation date was over 3 months old, Members requested that further information be provided on the reason that the actions had not been completed. Particular concerns were raised on those recommendations that were outstanding from audits carried out as long ago as 2013/14.
- 1.4 Further reports have been presented to Governance and Audit Committee meetings on 21 June 2017 and 20 September 2017 detailing information as set out at paragraph 1.3 above. In addition to this, the last meeting included lower priority recommendations at the request of members. This report provides the latest update to members.

2.0 Progress on Implementation of Internal Audit Recommendations

- 2.1 All overdue recommendations are set out in detail in Appendix A. There are currently six medium and three low priority recommendations to report to members of the Committee.

3.0 Equality and Diversity Implications

- 3.1 There are no equality and diversity implications arising from the report.

4.0 Legal Implications

- 4.1 There are no legal implications arising from the report.

5.0 Risk Management

- 5.1 There are no significant risks arising from the recommendations in this report. However, failure to implement audit recommendations in a timely manner will have a negative impact to the assurance that can be placed over the Council's governance, risk and control environment.

6.0 Resource and Financial Implications

6.1 There are no resource or financial implications arising from the report.

7.0 Constitutional Implications

7.1 The report does not require any amendment to the Council's Constitution.

8.0 Implications for our Customers

8.1 There are no implications for our customers arising directly from this report.

9.0 Corporate Outcomes

9.1 Effective Management - The Annual Audit Plan is designed to provide Members with assurance as to the effective management of the Council's most significant risks. Implementation of audit recommendations in a timely manner will help to improve the management of those risks appropriately.

10.0 Recommendation

10.1 The Committee is recommended to

- (1) Note the progress against each of the audit recommendations and set out any further actions as felt necessary.

(Reason: To review progress on the implementation of recommendations following by Internal Audit)

Legal	Power: It is a statutory requirement for Councils to have an Internal Audit function in accordance with the Local Government Act 1972.				
	Other considerations: Internal audit and the "Audit Committee" should also conform to the relevant professional guidance – the Public Sector Internal Audit Standards.				
Background Papers: None					
Person Originating Report: Michelle Drewery, Finance Manager, ☎ 01832 742267 ✉ mdrewery@east-northamptonshire.gov.uk					
Date: 10 November 2017					
CFO		MO		CX	

Summary of Outstanding Audit Recommendations

Appendix 1

Audit	Priority	Year	Issue/ Outstanding Action	Reason for Revised Implementation Timescale	Officer Responsible	Original Date	Revised Date(s)	Update
Corporate Counter Fraud Arrangements	Medium	2014/15	Monitoring Officer also develops refresher training to keep employees aware of Counter Fraud arrangements	We are currently doing the Counter Fraud CIPFA assessment, which will identify any new areas of risk to inform the training approach.	Executive Director (MO)	30/06/2015	31/03/2018	The Counter Fraud CIPFA Assessment was completed in April 2017, and highlighted areas of good practice across the Council. There were also some gaps highlighted which will form the basis of a new action plan to take forward. An e-learning solution has also been identified but has not yet been purchased or rolled out. It is planned that this is done during the 2017/18 financial year.
Fixed Assets	Medium	2015/16	Up to date Asset Management Plan	Work in progress	Head of Commercial and Economic Development	01/10/2016	31/12/2017	This work has been delayed for various reasons, particularly the Council's decision to focus on commercial and economic development. The new Head of Service commenced this role in May 2017 and is reviewing the strategy with a newly appointed Facilities Manager with a view to producing a report for Policy and Resources Committee to consider on 4 December 2017.
IT Service Desk, Software Licensing and Asset Management	Low	2015/16	ICT Support Manager ensures that details of the Service Level Agreement (SLA), once re-negotiated, are communicated to users.	Consultation with principal managers at Borough Council of Wellingborough and middle managers at ENC took place in October 2016. It was expected that this would be finalised by the end of November and would be communicated to users in December 2016.	Head of Resources and Organisational Development	29/02/2016	31/03/2018	This is now being included within the ICT Strategy programme of work.
Procurement Contract Management	Low	2016/17	Review of contracts register	Officers were reminded to review and update the register. Finance Manager has yet to carry out an additional check to confirm whether there are any other omissions.	Finance Manager (ENC)	30/09/2017	31/03/2018	
Procurement Contract Management	Medium	2016/17	Formalise the arrangements regarding the Disposal of Green Waste	Joint procurement with Borough Council of Wellingborough is progressing	Waste Services Manager	30/09/2017	01/04/2018	
Section 106 Agreements	Medium	2016/17	Head of Planning to make arrangements to ensure that the s106 monitoring responsibilities could be covered in staff absence	Approach still being agreed	Head of Planning Services	31/10/2016	22/12/2017	This is in relation to building up resilience within the team to ensure that these responsibilities are covered by more than one person. A Planning Technician has been identified to be trained in this area. However, this officer has been required to assist in other priority team work over the summer period. The training is now due to commence and this action will be completed by 22/12/2017.
Absence Management	Medium	2016/17	All roles and responsibilities with regards to absence management should be clearly defined and communicated in the Staff Management Policy. Furthermore, the Staff Management Policy should be updated in line with current practice and it should then be formally approved by the Personnel Sub-Committee.	A new project is being set up to review the Council's sickness absence policy and procedures (including sickness reporting).	HR Manager	31/07/2017	14/05/2018	This is now part of a full review of Staff Management Policy planned which is a more extensive review than originally agreed. Timescale for completion brought forward but need to allow for consultation and approval. Due to be submitted to Personnel Sub Committee on 14 May 2018 for approval.

Audit	Priority	Year	Issue/ Outstanding Action	Reason for Revised Implementation Timescale	Officer Responsible	Original Date	Revised Date(s)	Update
Health and Safety	Low	2016/17	The NNSRP audit/inspection plan should be agreed and formally approved by CMT. Once in place, the NNSRP should implement the agreed plan and report results to senior management.	To be discussed at CMT 14/11/2017	NNSRP Manager	30/09/2016	01/04/2018	Feedback from CMT - A report is being prepared and will be considered by CMT prior to sign off.
Section 106 Agreements	Medium	2016/17	Head of Planning Services to formally schedule the review of the current Developer Contributions SPD.	First meeting has taken place, awaiting government decision on CIL. Next meeting before Christmas.	Head of Planning Services	31/03/2017	31/12/2017	