



## **Governance & Audit Committee – 28 November 2018**

### **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 31 October 2018.

Appendix 1 – Summary of outstanding audit recommendations

Appendix 2 – Current outstanding audit recommendations

Appendix 3 – Audit recommendations closed in October

#### **1.0 Background**

- 1.1 Since April 2017, the Governance and Audit Committee has been provided with a report on the implementation of outstanding internal audit recommendations. This report provides the latest update.

#### **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 five outstanding recommendations. For 2017/18 there are two important, one medium and one standard priority recommendations outstanding.
- 2.2 Since the last Committee meeting in September 2018 there have been thirteen recommendations completed and closed and three new recommendations.
- 2.3 During the past four months there has been a drive to address all recommendations, and significant progress had been made. At the committee meeting on 20<sup>th</sup> June 2018, twenty five outstanding audit recommendations were reported, some dating back to 2015/16. Since that time twenty-seven have been completed and closed and six new recommendations have been received.

#### **3.0 Outstanding items from June 2018**

- 3.1 There are currently three recommendations that remain outstanding from June 2018 (Planning). Some progress has been made by Planning Services in regards to recommendations by Internal Audit into use of specialist resources. The recommendations remaining open are at different stages of completion.
- 3.2 The review and updating of the Development Management Charter is ongoing; however, the date for presenting to Committee for approval has been postponed to January 2019. Also, for better workforce planning for specialist resources, Planning Services are in the process of developing an option appraisal/analysis template to assist in evaluating all options before deciding the best and most cost efficient one.
- 3.3 The Head of Planning Services has reassured Internal Audit that the outstanding recommendations are in hand and will be completed as soon as possible. The new management structure is settling in and the benefit should start coming through soon.

#### **4.0 Equality and Diversity Implications**

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

## 5.0 Privacy Impact Implications

5.1 There are no privacy impact implications arising from this report.

## 6.0 Legal Implications

6.1 There are no legal implications arising from the report.

## 7.0 Risk Management

7.1 There are no significant risks arising from the recommendations in this report. This is because officers are focussing much of their time and resource on maintaining control of risks that are high risk and high likelihood which in some areas will be at the expense of those risk that are low in nature. It is recognised that 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. Officers will continue to prioritise their attention to minimise risk where necessary.

## 8.0 Resource and Financial Implications

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

## 9.0 Constitutional Implications

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

## 10.0 Implications for our Customers



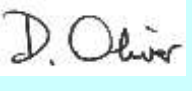
10.1 There are no implications for our customers arising directly from this report.

## 11.0 Corporate Outcomes

11.1 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.

## 12.0 Recommendation

12.1 The Committee is recommended to 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)*

<b>Legal</b>	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.				
<b>Background Papers:</b> None					
<b>Person Originating Report:</b> Amy Eyles, Finance Manager, ☎ 01832 742087 ✉ aeyles@east-northamptonshire.gov.uk					
<b>Date:</b> 14 <sup>th</sup> November 2018					
<b>CFO</b> 15/11/18		<b>MO</b> 15/11/18		<b>CX</b> 14/11/18	

## Appendix 1

### Summary of Outstanding Audit Recommendations

Officer Responsible	C/Fwd Outstanding Recommendations from Sept G&A Ctte	Recommendations Closed since Sept G&A Ctte	New Outstanding Recommendations since Sept G&A Ctte	Revised List of Outstanding Recommendations at 28 Nov G&A Ctte
Executive Director (MO)	0	0	0	0
Head of Resources & Development	2	2	0	1
H of Cust & Com Services	1	1	0	0
HR Manager	0	0	0	0
ICT Support Manager	0	0	0	0
Head of Commercial and Economic Development	0	0	0	0
Head of Planning Services	8	5	0	3
Facilities Manager	0	0	0	0
Head of Environmental Services	2	3	1	0
CMT	0	0	0	0
Head of Finance (s151)	0	0	1	0
Interim Finance Manager	2	2	0	0
Total	15	13	3	5

Priority	C/Fwd Outstanding Recommendations from Sept G&A Ctte	Recommendations Closed since Sept G&A Ctte	New Outstanding Recommendations since Sept G&A Ctte	Revised List of Outstanding Recommendations at 28 Nov G&A Ctte
Essential	1	1	0	0
Important	8	7	1	2
Medium	1	0	0	1
Standard	5	4	0	1
Low	0	1	2	1
Total	15	13	3	5

Audit	C/Fwd Outstanding Recommendations from Sept G&A Ctte	Recommendations Closed since Sept G&A Ctte	New Outstanding Recommendations since Sept G&A Ctte	Revised List of Outstanding Recommendations at 28 Nov G&A Ctte
E-Housing Options and Homelessness	1	1	0	0
E-Planning Use of specialist resources)	7	4	0	3
E-Contractor Health & Safety 2017/18	2	3	1	0
Procurement Card	2	2	0	0
Safeguarding	3	2	0	1
E-Disabled Facilities Grants 2018/19	0	1	1	0
Enterprise Centre - Embedded Assurance 20	0	0	1	1
Total	15	13	3	5

1 Dev Mgmt charter (likely Jan 19)  
 2 W/force planning - options appraisal template required  
 3 PDRs & trng not all PDRs completed  
 DBS checks LB to confirm final list



Audit	Priority	Year	Issue/ Outstanding Action	Officer Responsible	Original Date	Revised Date(s)	Months to revised date	Update
Enterprise Centre - Embedded Assurance 2018-19	Low	2018/19	<p>Where bids are to be evaluated based on a price weighting of less than 50%, the decision should be clearly documented and justified. This requirement should be added to contract procedure rules when next updated.</p> <p>Some high level risks have been recognised in committee reports but there is currently no project risk or issues register. Responsibility for preparing and managing project risks has been allocated to the Project Manager, but the format has not yet been determined.</p>	Head of Economic & Commercial Development	31/08/2018			