

For publication

Outstanding Internal Audit Recommendations

Meeting: Standards and Audit Committee

Date: September 26th 2018

Cabinet portfolio: Governance

Report by: Internal Audit Consortium Manager

For publication

1.0 Purpose of report

1.1 To present for members' information a summary of outstanding internal audit recommendations and the progress being made to implement them.

2.0 Recommendations

2.1 That the report be noted.

2.2 That Members' decide if they want to ask any officers to the next Standards and Audit Committee for further updates in relation to specific areas of concern.

2.3 That a further summary of outstanding internal audit recommendations be submitted to the Standards and Audit Committee in April 2019.

3.0 **Report details**

- 3.1 It has previously been agreed by the Standards and Audit Committee that a report detailing outstanding internal audit recommendations be brought to the Standards and Audit Committee every 6 months.
- 3.2 The implementation of audit recommendations is being monitored by the Corporate Management team on a regular basis and they have committed to being pro- active in ensuring that recommendations are implemented as agreed where possible.
- 3.3 Attached, as Appendix A, is a summary of outstanding internal audit recommendations as at the end of August 2018. In certain areas e.g. Health and Safety a corporate action plan has been produced that incorporates the internal audit recommendations made. In these instances there is a link supplied to the current version of those action plans.
- 3.4 It should be noted that many recommendations have been cleared in the last 6 months although others have then become due.
- 3.5 The timely implementation of internal audit recommendations helps to ensure that the risk of error or fraud is reduced and that internal controls are operating effectively.

4.0 **Alternative options and reasons for rejection**

- 4.1 The report is for information.

5.0 **Recommendations**

- 5.1 That the report be noted.
- 5.2 That Members' decide if they want to ask any officers to the next Standards and Audit Committee for further updates in relation to specific areas of concern.

5.3 That a further summary of outstanding internal audit recommendations be submitted to the Standards and Audit Committee in April 2019.

6.0 **Reasons for recommendations**

6.1 To inform Members of the internal audit recommendations outstanding so that they can assess if appropriate and timely action is being taken.

Decision information

Key decision number	N/A
Wards affected	All
Links to Council Plan priorities	This report links to the Council's priority to provide value for money services.

Document information

Report author	Contact number/email
Jenny Williams - Internal Audit Consortium Manager	01246 345468 Jenny.williams@chesterfield.gov.uk
Background documents These are unpublished works which have been relied on to a material extent when the report was prepared.	
Appendices to the report	
Appendix A	Summary of outstanding audit recommendations as at the end of August 2018

Summary of Outstanding Internal Audit Recommendations as at end of August 2018

Outstanding Recommendations 2015/16

Audit- Recs 2015/16	Recommendations	Priority	Past Agreed Imp Date	Managers Comments
Data Protection – May 2015	<p>R1 It is essential that the programme of training embarked on in April 2015, is monitored to ensure all staff fully complete the training and that the anticipated further training to data asset owners occurs and is completed within a prescribed timescale.</p> <p>Raised again September 17</p>	H	<p>November 2015</p> <p>Revised Date June 2018</p>	<p>Manager Responsible: Rachel O’Neil/Tony Smith/Gerard Rogers (as SIRO)</p> <p>84.4% of staff have now completed the programme of training which is a significant improvement.</p>
Business Continuity and Emergency Planning arrangements October 2015	<p>R2 Once the new Corporate Management Team structure has been established then it should be ensured that Service Area Business Continuity plans are:-</p> <ul style="list-style-type: none"> • Aligned to the new structure • Brought up to date • Appropriately distributed • Updated at least annually 	M	<p>SS to commence once new CMT structure agreed and further developed and completed once positions filled – March 2017. Out of date.</p>	<p>Manager Responsible: Sam Sherlock</p> <p>July 18 Update - The following business continuity service area arrangements are still outstanding:</p> <ul style="list-style-type: none"> • Customers, Commissioning and Change – Completed except for IT arrangements Rachel O’Neil • Economic Growth - Neil Johnson

Audit Recs 16/17	Recommendations	Priority	Past Agreed Imp Date	Managers Comments
IT Network Security Review/Cyber Security – October 16	R5 It should be ensured that ICT have a system in place to monitor the transfer of data to unsecure email accounts.	M	Specification by 31 st January 2017 Revised date October 2018	Manager Responsible: Rachel O’Neil This is a piece of work which has been included in the ICT improvement roadmap. It is expected to be implemented by October 2018

Outstanding Recommendations 2017/18

Audit Recs 17/18	Recommendations	Priority	Past Agreed Imp Date	Managers Comments
Council Tax May 17	R1 It is essential that 'old debts' are vigorously pursued , by the utilisation of charging orders, statutory demand notices or committals, with only one charging order being obtained since the previous audit	M	March 2018	<p>Manager Responsible – Damon Bruce Raised again in 2018/19 Council Tax IA report</p> <p>13 cases for charging orders have been referred to legal this year. Legal have been asked to notify Revenues once a charging order is in place. Revenues will continue to refer cases to legal.</p>
Council Tax May 17	R2 As discussed with the SRO, consideration should be given to a review of the year on year arrears analysis (10 years) to confirm recovery action is occurring	L	March 2018 Extended to March 2019	<p>Manager Responsible – Damon Bruce Raised again in 2018/19 Council Tax IA report</p> <p>We will start on this process straight away but because this is a big list we anticipate it taking a long time which is why the completion date is 31st March 2019</p>

Audit Recs 17/18	Recommendations	Priority	Past Agreed Imp Date	Managers Comments
Section 106 / CIL – October	R3 It is essential that further action is taken to ensure that the outstanding overdue section 106 agreements are collected or not as appropriate	M	March 2018	<p>Manager Responsible: Neil Johnson</p> <p>A report has been prepared for consideration of the outstanding overdue sums. This is to be reported to Planning Committee, Executive Member for Economic Growth and Cabinet and is to be added to the Forward Plan.</p>
Section 106 / CIL – October	R4 As recommended in the previous audit evidence should be provided to confirm the payment of the offsite play contribution (£38,800) and the highways contribution (£5,000) for CHE/05/00053/FUL	M	March 2018	<p>Manager Responsible : Neil Johnson</p> <p>It was believed that this payment had been made and the fund was used by Leisure to develop the all-weather pitch in the south west corner of Queens Park but the Council’s planning files and system does not corroborate this. Dialogue with the developer has confirmed that the developer also believes that the £38,800 was paid to the Council. Officers have therefore asked for evidence and the developer is retrieving their archived files. They have indicated that they should be in a position to respond by end of 14th September 2018. If it is concluded that the sum has not been paid that instructions to</p>

Audit Recs 17/18	Recommendations	Priority	Past Agreed Imp Date	Managers Comments
				<p>accountancy will pursue the invoicing route.</p> <p>The reference to the £5,000 highways contribution is not a matter for CBC. The contribution is required to be paid by the developer to Derbyshire County Council and not CBC. DCC were a signature to the agreement and it would be for them to pursue this matter.</p>
Section 106 / CIL – October	R5 As recommended in the previous audit an annual reconciliation should be completed between the Uniform system and the Accountancy system to ensure accuracy of records.	M	March 2018	<p>Manager Responsible ; Neil Johnson</p> <p>Regular conversations are taking place between planning and accountancy.</p>
ICT Network Security – November 17	R7 Action should be taken to ensure all council employees and members complete the mandatory training courses	M	May 2018	<p>Manager Responsible : Rachel O Neil</p> <p>Completion rates are much improved and at the end of August are currently at 84.4%</p>

Audit Recs 17/18	Recommendations	Priority	Past Agreed Imp Date	Managers Comments
Corporate Health and Safety	20 recommendations made – all picked up in a separate Health and Safety action plan	Various	Various	<p>Governance procedures have been put in place in terms of health and safety. A detailed action plan has been produced and this is monitored on a quarterly basis by the Corporate Health and Safety Group. The Internal Audit recommendations have been cross referenced on the action plan 6 recommendations are detailed as Green (work area complete or near complete) and 14 recommendations are detailed Amber (work area has started with some progress made).</p> <p>See Health and Safety action plan</p> <p>Z:\Directorate of Resources\Audit\Miscellaneous Audits\Health and Safety\2017.18 follow up\Report etc\HS Recovery Plan v3.0 iw 08 2018.docx</p>

Audit Recs 17/18	Recommendations	Priority	Past Agreed Imp Date	Managers Comments
Payroll – February 18	R5 It is essential that progress is made on the procurement of a new payroll system to ensure that a system can be procured, setup and tested adequately prior to the end of the contract.	L	TBC	Manager Responsible : Kate Harley Delay has been introduced by client pending overall ICT review.