

For publication

Outstanding Internal Audit Recommendations

Meeting: Standards and Audit Committee

Date: April 24th 2019

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 September 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 February 2019. 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 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 September 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

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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 February 2019

Summary of Outstanding Internal Audit Recommendations as at end of February 2019

Outstanding Recommendations 2017/18

Audit Recs 17/18	Recommendations	Priority	Agreed Imp Date	Managers Comments
Choice Based Lettings – May 17	R1 Procedural notes, flowcharts and associated letter templates should be updated to accurately reflect current procedures and be aligned with the current policy	M	July 2018 Extended to Dec 18 pending introduction of new system Locata by end of October 2018	Manager Responsible : Alison Craig February 19 update – The legal documentation has been received to sign up to the new IT system. This alongside the new allocations policy is expected to be implemented between March and May with procedural notes etc.
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	Manager Responsible : Neil Johnson February 2019 update - An invoice has now been raised 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

Audit Recs 17/18	Recommendations	Priority	Agreed Imp Date	Managers Comments
				not CBC. DCC were a signatory to the agreement and it would be for them to pursue this matter.
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	Manager Responsible ; Neil Johnson February 19 update - This is planned to be undertaken after the end of the financial year in April.
Corporate Health and Safety	20 recommendations made – all picked up in a separate Health and Safety recovery plan	Various	Various	Manager Responsible : Ian Waller See Health and Safety recovery plan version 4 <u>Health and Safety Recovery Plan</u>
Procurement – April 18	R1 It should be ensured that when the procurement review has been completed that an updated procurement strategy is created and adopted by the council.	H	January 18	Manager Responsible : Rachel O Neil / Kevin Hanlon February 19 update - Consultant report and recommendations re future procurement with Rachel O Neil

Audit Recs 17/18	Recommendations	Priority	Agreed Imp Date	Managers Comments
				October 2018 for action. Draft Strategy updated and awaiting progression and final review – with Rachel O Neil.
Procurement – April 18	R5 It is essential that advice detailing when the NHS Procurement Unit are to be involved in procurement be distributed and that adequate training on procurement be provided to Budget Holders, Service Managers and other council officers who procure goods and/or services on behalf of the council.	H	September 18	<p>Manager Responsible : Rachel O Neil / Kevin Hanlon</p> <p>February 19 update - Aspire intranet now provides significant support information for any staff involved in procurement.</p> <p>Training plan being developed with new HR Learning and Development team.</p> <p>NHS contacts identified for communication and support CBC registered with CIPFA procurement network from January 2019.</p>
Procurement – April 18	R6 A review of the council’s spend should be conducted to ensure that contracts are in place where needed, where contracts are not correctly in place these should be added to the procurement plan.	H	September 18	<p>Manager Responsible: Rachel O Neil / Kevin Hanlon</p> <p>February 19 update - Review commenced in late 2018 with NHS and CBC Finance collaboration</p>

Audit Recs 17/18	Recommendations	Priority	Agreed Imp Date	Managers Comments
				<p>Current Agresso system is not set up sufficiently to immediately provide procurement data and is being considered as part of upgrade to Agresso version 7 in conjunction with CBC Finance lead.</p> <p>NHS have completed a supplier analysis of spend for consideration from current system which requires further work.</p> <p>Further analysis is currently being done by NHS to drill down into the available data</p>

Outstanding Recommendations 2018/19

Audit Recs 18/19	Recommendations	Priority	Agreed Imp Date	Managers Comments
Market Hall Café – May 2018	It is essential that procurement in respect of Arden Coffee is reviewed in line with the requirements of the initial contract as spend exceeds the £25,000 limit and consequently three written quotes is required.	M	September 18	<p>Manager Responsible: Andy Bond</p> <p>February 19 update – As Arden coffee supply both Queen’s Park and Market Hall it would be prudent to take both out to the market together as soon as the existing contracts allow. This will be investigated further.</p>