Borough of Pendle

REPORT FROM: CENTRAL SERVICES   **AUDIT AND PERFORMANCE MANAGER** **TO:**   **ACCOUNTS AND AUDIT COMMITTEE** **DATES:**   **27th January 2016**

Report Author: **Kevin Stansfield** **Tel. No:**   **01282 661879** **E-mail:**   **kevin.stansfield@pendle.gov.uk**

INTERNAL AUDIT: RECOMMENDATION DATABASE

1. In accordance with the Public Sector Internal Audit Standards (PSIAS) a follow up process to monitor and ensure that management actions have been effectively implemented must be established. This report provides Members with a summary of progress on the implementation of internal audit recommendations as at 12th January 2016.

RECOMMENDATIONS

2. That the Accounts and Audit Committee note the progress made on the implementation of Internal Audit recommendations up to the 12th January 2016.

REASONS FOR RECOMMENDATION

3. To demonstrate that the Accounts and Audit Committee is monitoring the implementation of recommendations.

ISSUE

4. A key role of the Accounts and Audit Committee, as set out in the Terms of Reference of the Committee, is to:-

    "To act as a forum to ensure the rapid delivery and implementation of audit recommendations once agreed, ensuring that auditors and officers collaborate effectively".

5. It was agreed that the Committee's role in this respect should be discharged by considering a report on the status of implementation of recommendations at each of its meetings. This summary report has been produced to satisfy this requirement.

6. This summary includes all agreed Priority 1 & 2 recommendations **(see Appendix A)** issued in each final report since 1st April 2014. All recommendations included in the database have been agreed with the respective Auditee in each case. There are 5 recommendations which are not to be implemented as from April 2014, of these, 4 have previously been reported to this Committee, details are included below **(see Appendix B)**.

7. The report is based on Management's own assessment of implementation except where Internal Audit has formally followed up recommendations.

Appendix A

Priority 1 Recommendations							
Service Grouping	Total	Impl.	Not Impl.	In prog.	Not advised	Not to be Impl.	Not Due
Corporate							
-Corporate	0	0	0	0	0	0	0
-Executive Policy Unit	0	0	0	0	0	0	0
Financial Services							
- Financial Services	0	0	0	0	0	0	0
Democratic and Legal							
-Democratic and Legal	0	0	0	0	0	0	0
HH Services & Eco Regeneration							
-Economic Development & Tourism	0	0	0	0	0	0	0
-Housing Regeneration Services	0	0	0	0	0	0	0
Neighbourhood Services							
-Engineering and Special Projects	0	0	0	0	0	0	0
Planning, Building Control & Licensing							
-Planning and Building Control	0	0	0	0	0	0	0
Environmental Services							
-Waste Management	0	0	0	0	0	0	0
-Parks and Recreation	0	0	0	0	0	0	0
-Environmental Health	0	0	0	0	0	0	0
Other Service Providers							
-Human Resources	0	0	0	0	0	0	0
-ICT	0	0	0	0	0	0	0
-Property Services	1	1	0	0	0	0	0
-Treasury Services	5	0	0	5	0	0	0
-Leisure Trust	0	0	0	0	0	0	0
TOTAL	6	1	0	5	0	0	0
Percentage		16.67%	0.00%	83.33%	0.00%	0.00%	0.00%
Previous Report	11	18.18%	0.00%	72.73%	0.00%	9.09%	0.00%

Priority 2 Recommendations							
Service Grouping	Total	Impl.	Not Impl.	In prog.	Not advised	Not to be Impl.	Not Due
Corporate							
-Corporate	16	1	0	15	0	0	0
-Executive Policy Unit	0	0	0	0	0	0	0
Financial Services							
- Financial Services	18	4	0	14	0	0	0
Democratic and Legal							
-Democratic and Legal	11	7	0	1	0	1	2
HH Services & Eco Regeneration							
-Economic Development & Tourism	8	6	0	0	0	1	1
-Housing Regeneration Services	20	15	0	5	0	0	0
Neighbourhood Services							
-Engineering and Special Projects	9	3	0	4	0	0	2
Planning, Building Control & Licensing							
-Planning and Building Control	0	0	0	0	0	0	0
Environmental Services							
-Waste Management	13	13	0	0	0	0	0
-Parks and Recreation	8	7	0	0	0	1	0
-Environmental Health	7	6	0	0	0	0	1
Other Service Providers							
-Human Resources	2	2	0	0	0	0	0
-ICT	8	3	0	5	0	0	0
-Property Services	8	8	0	0	0	0	0
-Treasury Services	10	2	0	7	0	1	0
-Leisure Trust	8	7	0	1	0	0	0
TOTAL	146	84	0	52	0	4	6
Percentage		57.53%	0.00%	35.62%	0.00%	2.74%	4.11%
Previous Report	126	46.83%	0.00%	50.00%	0.00%	1.59%	1.59%

Appendix B

Recommendations not to be implemented

Rec No.	Service Grouping	Audit report	Report date	Recommendation	Priority	Reason for not implementing
4	Parks	Cemeteries	May- 15	That consideration is given to improving income collection and invoice payment from private individuals in light of the findings below. Consideration should be given to re-introducing upfront payment if the continuation of non-payment of invoices becomes significant.	2	This recommendation is not feasible due to the Council/Liberata closure of payment offices where upfront payments are paid in. Not enough office staff to handle payments i.e. collect and pay in any monies. An Exclusive Right Of Burial (EROB) is now not issued till the invoice has been paid in full – EROB can be withdrawn if payment is not made. Cemeteries Officer to check with colleagues from other authorities regarding their systems in place for unpaid invoices.
1	Treasury Services	Housing Benefits	Apr-15	To ensure that all Users sharing Benefit/Council Tax data via emails do so in line with the code of connection (GCSX) requirements.	2	Not to be implemented as a change in guidance from the DWP states .gov.uk email addresses are secure for the transfer of sensitive data.
5	Democratic & Legal	Freedom of Information	Mar-15	Management should consider whether the un-answered 89 FOI requests should be followed-up.	1	I don't think that there is the capacity to re-look at the 89 requests where replies don't seem to have been sent.
2	Economic Development and Tourism	Discover Pendle	Feb-15	To ensure that monthly stock takes are carried out in accordance with agreed system procedures for managing stock.	2	Not feasible to implement monthly due to limited manpower, will carry out quarterly which audit agreed to due to low value of stock held.
2	Licensing	Licensing	Nov-14	That consideration is given to determine whether the Sundry Debtors system can be utilised to raise invoices/charges with a view to streamlining the Licensing billing process.	2	Having spoken to Licensing Staff it is accepted that the current practices are effective. Whilst this recommendation has been considered for implementation staff felt that it will mean loss of control of the application process. Internal Audit confirm that this will not have an adverse impact on controls in place and the suggested recommendation is considered an improvement to the current system.

KEY

	Recommendation	Follow Up
Priority 1	Major issues that we consider need to be brought to the attention of senior management.	Follow-up will be performed at specific dates agreed with senior management. The implementation of the recommendation will also be monitored quarterly in the IARD.
Priority 2	Important issues which should be addressed by management in their areas of responsibility.	Follow-up of the recommendations will be performed by the end of the next audit year. The implementation of the recommendation will also be monitored quarterly in the IARD.

Implemented   Management has advised recommendation implemented. In some cases this may have been confirmed by IA.

Not Implemented   IA has followed up and assessed that recommendation has not been implemented but has not issued a final report.

In Progress   Management has advised that implementation is in progress where the agreed deadline has passed.

Not Advised   Management has not indicated current position on the database.

Not to be Implemented   Recommendations where Management has advised that an agreed recommendation is not now to be implemented. These will be advised to Committee within our Progress Reports.

Implementation not due   Implementation deadline has yet to be reached.

IMPLICATIONS

Policy: There are no policy implications arising directly from the contents of this report.

Financial: The budget for Internal Audit for 2015/16 is £85,360. As it is expected that the Audit Plan for 2015/16 will be delivered as planned, it is anticipated that the budget will not be exceeded.

Legal: The Council has a statutory duty to carry out internal audit of its systems and services, however, there are no direct legal implications arising from this report.

Risk Management: The Audit Plan is based on the results of a risk analysis exercise carried out with Service Managers prior to the compilation of the Draft Plan early in the year. However, there are no risk management implications arising directly from the contents of this report.

Health and Safety: There are no health and safety implications arising directly from the contents of this report.

Climate Change: There are no climate change implications arising directly from the contents of this report.

Community Safety: There are no community safety implications arising directly from the contents of this report.

Equality and Diversity: There are no equality and diversity implications arising directly from the contents of this report.