

**REPORT FROM: CENTRAL SERVICES
AUDIT AND PERFORMANCE MANAGER**

TO: ACCOUNTS AND AUDIT COMMITTEE

DATES: 28th September 2016

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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 19th September 2016.

RECOMMENDATIONS

2. That the Accounts and Audit Committee note the progress made on the implementation of Internal Audit recommendations up to the 19th September 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. The status on implementation in respect of Priority 1 & 2 recommendations issued in each final report (in some cases superseded) since 1st April 2015 is shown below in **Appendix A**. Of 115 recommendations made by Internal Audit, 69 (58) have been implemented and 20 (28) are currently in the process of being implemented by Management.

7. There are 25, Priority 2 recommendations outstanding as at 19th September 2016 covering 6 audit reports. The position on implementation of these has been established and a synopsis for each report is shown in **Appendix B** which includes an update in cases where we have previously reported. Since the agreed timescales have passed Internal Audit is also liaising with management to ensure steps are being taken to manage identified risks and implement recommendations. Where necessary we will assess whether an alternative course of action is feasible and discuss these with Management.
8. There is 1 recommendation which is not to be implemented and reasons have previously been provided to this Committee.

Appendix A

Priority 1 Recommendations						
Service Grouping	Total	Implemented	In progress	Outstanding	Not advised	Not to be Implemented
Corporate	0	0	0	0	0	0
Financial Services	1	0	1	0	0	0
Democratic and Legal	0	0	0	0	0	0
HH Services & Eco Regeneration	0	0	0	0	0	0
Neighbourhood Services	0	0	0	0	0	0
Planning, Building Control & Licensing	0	0	0	0	0	0
Environmental Services	0	0	0	0	0	0
-Human Resources	0	0	0	0	0	0
-ICT	0	0	0	0	0	0
-Property Services	1	0	1	0	0	0
-Treasury Services	5	5	0	0	0	0
-Leisure Trust	0	0	0	0	0	0
TOTAL	7	5	2	0	0	0
Percentage		71.43%	28.57%	0.00%	0.00%	0.00%
Previous Report	7	71.43%	28.57%	0.00%	0.00%	0.00%

Priority 2 Recommendations						
Service Grouping	Total	Implemented	In progress	Outstanding	Not advised	Not to be Implemented
Corporate	16	6	0	10	0	0
- Financial Services	6	3	3	0	0	0
-Democratic and Legal	6	6	0	0	0	0
HH Services & Eco Regeneration	11	8	1	2	0	0
Neighbourhood Services	6	4	0	2	0	0
-Planning and Building Control	0	0	0	0	0	0
Environmental Services	9	8	0	0	0	1
-Human Resources	7	7	0	0	0	0
-ICT	18	4	3	11	0	0
-Property Services	5	3	2	0	0	0
-Treasury Services	11	7	4	0	0	0
-Leisure Trust	13	8	5	0	0	0
TOTAL	108	64	18	25	0	1
Percentage		59.26%	16.67%	23.15%	0.00%	0.93%
Previous Report	104	50.96%	25.00%	23.08%	0.00%	0.96%

Appendix B

Service Grouping – Corporate

Audit Area- Corporate Health and Safety (February 2015)

8 recommendations were made following this review, 7 have now been implemented by management. 1 recommendation which relates to a review of the Council's Corporate Risk Management Policy remains outstanding albeit a revised target date of September 2016 to complete this task has been agreed with Management.

Service Grouping – HH Services & Economic Regeneration

Audit Area- Property Improvement Grants (August 2015)

The audit resulted in 5 (Priority 2) recommendations. 1 concerned reconciliation of the Disabled Facilities Grant capital payments to the financial system which has been implemented and 4 concerned improved working procedures surrounding maintenance of the Select List of Contractors and reporting of tenders. Since we last reported, 2 of these have been implemented. Of the 2 remaining outstanding we have had follow up discussions with Management and it has been agreed that these will be implemented by January 2017.

Service Grouping – Neighbourhood Services

Audit Area- Engineering and Drainage Contracts (October 2015)

The audit reviewed methods and processes for tendering engineering and drainage contracts and subsequent contract management. The review resulted in 6 recommendations, 4 of these have been implemented, 2 remain outstanding which requires development of the Chest e- tendering system this has taken longer than expected. Following our recent discussions with Management we have noted that some progress has been made towards implementing these.

Service Grouping – Corporate

Audit Area- Customer Complaints system (December 2015)

The audit examined the Council's customer complaints system and resulted in 9 (Priority 2) recommendations. These encompassed reviewing the current process of logging and responding to complaints, providing training to staff handling complaints, and examining the accuracy of complaints data that is currently reported. Following on from our last report, we have received the following update from the Corporate Director who is acting as the lead officer.

"Your summary is a reasonable description of what has happened so far. It is probably fair to say that it has developed into a wider project than just meeting the Audit report recommendations. The complaints system is in effect being updated and relaunched. The project is also intertwined with the redevelopment of the intranet, itself also a wide corporate project.

The objectives are to make it easier for members of the public to submit complaints in particular encouraging them to do this via the website; encourage greater logging of complaints received by staff and in a more consistent way across the Council; make it easier to track and ensure progress in dealing with them; and develop a better picture of the numbers and nature of complaints across the board so that we can learn from them and improve practice and service delivery.

There have in fact been several meetings of the working group comprising service area complaints coordinators and a number of other staff who can contribute including Simon Tisdale. The complaints policy and procedure has been revised and a new guidance document for staff in handling complaints prepared. We have also worked up the requirements for a new corporate recording and monitoring system. Progress on implementing this will depend on decisions to be taken shortly on AchieveService and Sharepoint and IT delivery of these. (Sharon Hargraves is preparing the business case). Some training of staff will also be required.

As you will appreciate the Audit recommendations will not therefore be implemented by 31st August. A progress report will go to Management Team in mid September. As you rightly say, in the meantime performance against the key performance indicator of responding to complaints within 15 days appears to be improving."

Service Grouping – ICT

Audit Area- Asset Management (December 2015)

This audit examined the physical management of the IT assets supporting Council systems to ensure these are robust. 3 recommendations arose from the review. These covered fully maintaining of an asset and disposal registers and timely removal of redundant equipment.

Audit Area- Information Security Policy (December 2015)

The audit examined the Council’s Information Security Policy and arrangements for managing its ICT security, 8 (Priority 2) recommendations resulted from the review. These included reviewing and updating the current policy, and the recommendations around the Council adopting relevant ICT policies which Liberata currently has in place i.e. Access Control Policy and Data Retention and Disposal Policy. Since we last reported, a new ICT Manager has been appointed and we are currently in discussions to determine progress with implementing these.

KEY

	<i>Recommendation</i>	<i>Follow Up</i>
<i>Priority 1</i>	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.
<i>Priority 2</i>	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.
- In Progress** Management has advised that implementation is in progress.
- Outstanding** Management has advised that implementation is in progress where the agreed deadline has passed i.e. overdue.
- 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.

IMPLICATIONS

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

Financial: The budget for Internal Audit for 2016/17 is £92,210. As it is expected that the Audit Plan for 2016/17 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.