

REPORT FROM: AUDIT MANAGER

TO: ACCOUNTS AND AUDIT COMMITTEE

DATES: 26th July 2018

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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 16th July 2018.

RECOMMENDATIONS

2. That the Accounts and Audit Committee note the progress made on the implementation of Internal Audit recommendations up to the 16th July 2018.

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 The status on implementation in respect of Priority 1 & 2 recommendations issued in each final report (in some cases superseded) since 1st April 2017 is shown below in [Appendix A](#), there are no recommendations outstanding prior to this date.
7. Of 53 recommendations made by Internal Audit, 12 have been implemented and 32 are currently in the process of being implemented by Management. These relate to recently completed reviews. There are 6 recommendations overdue (see below). The

implementation of recommendations is based upon Management's own assessment except where Internal Audit has formally followed up the recommendations.

8. There are 3, Priority 2 (2 previously reported) recommendations which are not to be implemented by Management and an explanation has been provided in [Appendix B](#).
9. In the previous report, Members were informed that 8, Priority 2 recommendations were overdue i.e. the agreed implementation date had passed. These have been followed up and Land Charges (1 recommendation) is not to be implemented as the ICT system referring to the recommendation has been replaced. Private Sector Housing Enforcement (1 recommendation) has now been implemented by Management. Car Mileage (6 recommendations, still to be implemented, delays have been caused by staff leaving and implementation for the new Payroll/HR system deferred to later date in the financial year. Internal Audit will continue to work with Management to ensure steps are being taken to manage risks identified.

Appendix A

Priority 1 Recommendations						
Service Grouping	Total	Implemented	In progress	Overdue	Not advised	Not to be Implemented
Corporate	0	0	0	0	0	0
Financial Services	0	0	0	0	0	0
Democratic and Legal	0	0	0	0	0	0
HH Services & Eco Regeneration	1	0	1	0	0	0
Neighbourhood Services	0	0	0	0	0	0
Planning, Building & Licensing	0	0	0	0	0	0
Environmental Services	0	0	0	0	0	0
Human Resources	0	0	0	0	0	0
ICT	1	0	1	0	0	0
Property Services	0	0	0	0	0	0
Treasury Services	0	0	0	0	0	0
Leisure Trust	0	0	0	0	0	0
TOTAL	2	0	2	0	0	0
Percentage		0.00%	100.00%	0.00%	0.00%	0.00%
Previous Report	2	50.00%	50.00%	0.00%	0.00%	0.00%

Priority 2 Recommendations						
Service Grouping	Total	Implemented	In progress	Overdue	Not advised	Not to be Implemented
Corporate	0	0	0	0	0	0
Financial Services	3	2	1	0	0	0
Democratic and Legal	4	2	0	0	0	2
HH Services & Eco Regeneration	10	5	4	0	0	1
Neighbourhood Services	5	1	4	0	0	0
Planning, Building & Licensing	8	2	6	0	0	0
Environmental Services	1	0	1	0	0	0
Human Resources	11	0	5	6	0	0
ICT	5	0	5	0	0	0
Property Services	1	0	1	0	0	0
Treasury Services	1	0	1	0	0	0
Leisure Trust	2	0	2	0	0	0
TOTAL	51	12	30	6	0	3
Percentage		23.53%	58.82%	11.76%	0.00%	5.88%
Previous Report	112	57.14%	33.93%	7.14%	0.00%	1.79%

Appendix B - Internal Audit Recommendations Database

Rec No.	Service Grouping	Audit report	Report date	Recommendation	Comments by Management
3	Democratic and Legal Services	Freedom of Information	Jan-18	Use of Covalent system to ensure efficiency and accuracy in recording, monitoring and reporting of FOI Requests.	Not to be implemented at this stage as responses times have improved will revisit this recommendation following results of the next 2 quarters.
2	HH Services & Eco Regeneration	Town Centre Grants	Jul-17	For town centre grant applications received for projects in Barrowford; a formal delegated authority for Officers to approve applications is drawn up to allow consistency in the approval process from each Area Committee.	Not applicable, as funding isn't available in Barrowford for the coming financial year. If funding is made available in the future a suitable approval panel/nomination will be put in place.
2	Democratic and Legal Services	Land charges	Aug-18	Action should be taken to resolve the current issues with IT support surrounding the operation of the Local Land Charges system (SWIFT) to minimise downtime which affects the ability of the Council's Local Land Charges function in providing an efficient service.	Not to be implemented as no longer applicable due to implementation of the IDOX 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.

In Progress Management has advised that implementation is in progress.

Overdue 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.

IMPLICATIONS

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

Financial: There are no financial implications arising directly from this report.

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.