

Open

NORTH DEVON COUNCIL

Report Date: 8th June 2021

Topic: **AUDIT RECOMMENDATION TRACKER**

Report by: CHIEF EXECUTIVE

1 Introduction

This is the regular progress report to the Committee in relation to action taken to address internal and external audit recommendations.

2 Recommendations

2.1 That the Committee note the actions that have been taken to address identified risks since the 9th March 2021 Governance Committee meeting.

2.2 That the Committee raises any areas of concern arising from the list of outstanding recommendations.

3 Reasons for Recommendations

3.1 To give assurance to the Committee that audit recommendations are being actively managed, and to give the Committee a full opportunity to review any areas of concern.

4 Report

4.1 SMT has reviewed the high and medium risk audit recommendations to assess progress and instigate any required actions.

4.2 Since the last meeting the number of recommendations now tracked has risen to 1,240.

Table A) Live Audit Reports, Status & Numbers

Code	Title	Status	Progress	High Risk	Medium Risk	Low Risk
16 PL	Planning Applications 2015/16	● Overdue	83%	0	3	0
17 SRR	Security Review Report 2017/18	● Overdue	98%	4	5	0
19 GDPR	General Data Protection Regulations 2018/19	● Overdue	92%	0	0	7
20 BC	Business Continuity 2018/19	▶ In Progress	65%	3	1	0
20 FB&E	Fraud, Bribery & Ethics 2018/19	▶ In Progress	46%	0	5	1
20 CC	Cash Collection 2020/21	▶ In Progress	50%	2	2	0
20 CG & RM	Corporate Governance & Risk Management 2020/21	▶ In Progress	83%	6	2	0
20 MCS&BC	Main Accounting System & Budgetary Control 2020/21	▶ In Progress	0%	1	1	0
20 P	Payroll 2019/20	● Overdue	0%	0	0	1
20 C	Creditors	▶ In Progress	25%	0	3	0
21 HB	Housing Benefit 2020/21	▶ In Progress	20%	0	2	2
21 SC-19 O	Safe Covid-19 Operations 2020/21	▶ In Progress	12%	2	5	0

Table B: Audit recommendations setting completed since the last Audit Committee

Recommendation	Closure Note	Original Due Date	Completed Date
21 SC-19 O 04 Senior Management should ensure they have reasonable visibility on the extent to which managers are engaging with their staff during this emergency	Staff briefings, Manager forums, are taking place together and team meetings continuing virtually.	30-Apr-2021	19-May-2021
21 HB 01 Review access levels / abilities of all staff to consider the number of staff having 'Core - Full Access'	A review has now been undertaken and the number of users with CORE full access has been reduced to 9 essential users.	31-May-2021	10-May-2021
20 LCP 06 The main implications from delivery of the leisure centre on the Council's longer-term leisure strategy should be identified & included in the relevant strategy documents.	At present the council doesn't have a leisure strategy, so there are not any existing documents to update. Regular updates on the build phase will be provided in the quarterly updates given to Strategy & Resources Committee and the current target (in the service plan) to complete the build in April 2022 is still on track. New targets need to be included in this year's service plans.	30-Apr-2021	22-Feb-2021

<p>20 LCP 07 Project manager to provide a quarterly update to the Strategy & Resources Committee, to ensure that Councill members are updated on progress to complete the leisure centre build and opening</p>	<p>M.Kentell took a project update to the Strategy and resources committee in March 2021 and then each quarter until construction is complete. After construction is completed, future updates on the operational or “delivery” phase of the project will be timetabled in (Parkwood are obliged to provide updates under the DBOM contract terms).</p>	<p>24-Mar-2021</p>	<p>26-Apr-2021</p>
<p>20 CG&RM 07 The requirement for effective risk management should be incorporated into senior manager job descriptions</p>	<p>Heads of Service job descriptions are currently being reviewed and the CEx, HR and LGA support will ensure these responsibilities are built into any new job descriptions moving forwards.</p>	<p>31-Mar-2021</p>	<p>19-May-2021</p>
<p>20 CG&RM 09 Expand the current C-19 Pandemic Corporate Risk for the short, medium & long term.</p>	<p>We continue to hold this risk on our Corporate Risk Register and will update to reflect the recent C-19 internal audit recommendations as we recognise that these risks and impacts are ongoing and need to reflect the changing environment.</p>	<p>31-Mar-2021</p>	<p>19-May-2021</p>
<p>20 BC 02 Resilience Direct - User Access</p>	<p>Now complete</p>	<p>31-Mar-2021</p>	<p>19-May-2021</p>

20 BC 03 Update of Service Resumption Plans	The plans were reviewed and updated in March 2020. Managers were asked to review again in May, and December 2020 for Covid-19 aspects. It is recognised that they will need updating to reflect new working arrangements once the BIA and RA have been completed and that will be conducted after 25 October 2021.	31-Mar-2021	19-May-2021
17 G 07 Automated workflows within Firmstep	A first stage of an automated process was developed by IT and it was trialled. However, it did not streamline the administrative processes and therefore this has not been implemented and the team has reverted back to its previous workflow processes.	31-Mar-2021	29-Apr-2021
17 L 01 Communication of Current Procedures	Procedures now uploaded to RIAMS and team meeting scheduled to communicate sign off and use.	30-Apr-2021	10-Mar-2021
20 MCS&BC 01 Management should review current roles & consider if segregation can be improved	In terms of journals, NDC accounts team is only small, no one outside the accounts team can enter journals, journals over £10,000 are reviewed quarterly by the Accountancy manager and monthly monitoring and outturn variance analysis would identify any anomalies. So we have accepted status quo is maintained and confirm that the small risk is accepted as necessary for business operations.	31-Mar-2021	20-May-2021
20 FB&E 04 Documented Procedures	Trevor Blatchford (Monitoring Officer) is presenting a procedure note for the conduct of investigations, for presentation to the Governance Committee on 8 th June 2021, and begin a twice yearly cycle of reporting any irregularities (if there are any) at the March and September meetings of the Governance Committee.	30-Sep-2020	20-May-2021

<p>20 FB&E 05 Reporting Management Information</p>	<p>Trevor Blatchford (Monitoring Officer) is presenting a procedure note for the conduct of investigations, for presentation to the Governance Committee on 8th June 2021, and begin a twice yearly cycle of reporting any irregularities (if there are any) at the March and September meetings of the Governance Committee.</p>	<p>30-Sep-2020</p>	<p>20-May-2020</p>
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Table C: Outstanding Audit Recommendations where Head of Service have requested a revision to the due date

Code	Description	Progress	Latest Note	Original Due Date	Due Date
16 PL 03 S106 Agreements	We recommend that as part of the Contract audit 2016/17 a review the administration of Section 106 Agreements is completed to assess the effectiveness of service delivery.	50%	<p>12-May-2021 April 2021 Improvement Officer:</p> <p><u>Jun-Sep 2020</u> - I met face-to-face with every stakeholder in the process and talked through their part of the S106 process on a 1-1-basis, took comprehensive notes and started a 'map' for their part of the process;</p> <p><u>Oct/Nov 2020</u> – Paul Trodd worked pulling all my notes, drawings and suggestions together into a rough 'as is' process map (also using his extensive knowledge of planning). We planned to present to all stakeholders in the Barum Room on the projector and fill in any gaps in the flow, add missing items and</p>	31-Dec-2016	28-Feb-2021

		<p>discuss any queries / make challenges</p> <p>...however ...</p> <p><u>Dec 2020</u> – ... the physical meeting needed to be cancelled, as so many people really didn't want to meet with Covid-figures rocketing, so (after checking with Ken) we agreed to try and do the review virtually, once everyone was back from Xmas leave etc.</p> <p><u>15 Jan 2021</u> – we held our first stakeholder meeting to review the draft 'as is', making notes along the way towards a 'to be' when we discussed the value of the actions and possible alternatives... whether it was because it was virtual or not, I don't know but this was like wading through treacle and we made slow progress L</p> <p><u>2 February 2021</u> – we held our second session (n.b. we had lost Michael and Damian at this point and I think you attended this session?). Again, this was hard work to do virtually, with so many</p>		
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			<p>different people with different 'interests' in their part of the process only. Unfortunately, we still did not manage to complete the 'as is' and there were a lot of questions we could not answer about DEF, as we were awaiting 'new build' information and use the modules we hadn't looked at in-depth prior to March 2020 when we went into lockdown.</p> <p><u>23 February 2021</u> – we held a third stakeholder session and aimed to be able to look at the 'to be', however, we still ploughed through the 'as is', as some matters were not as simple as they first appeared, mostly around affordable housing needs and POS processes. We explained we would need to look at the new build capabilities of DEF a lot closer and understand the capabilities for everyone's needs BEFORE we meet again to look at a 'to be', as there were just so many questions we couldn't answer that kept coming up.</p>		
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		<p><u>17 March 2021</u> – Paul and I met to list all the aspects we’d need to look at on DEF’s new build for S106 logging, monitoring and reporting. It was so difficult switching between screens etc. we, agreed that doing this physically when we could go into the office would work much better.</p> <p><u>28 April 2021</u> – Paul and I are meeting at Lynton House to look at the new build and every departmental / individual requirements and work out what we will have and what we will need going forwards</p> <p><u>May 2021</u> – (you are on the list) all stakeholders are invited to a fourth meeting, virtually again, to discuss their needs going forwards in the draft ‘to be’, once we are all better informed what the software can help or hinder with... at this stage we should be looking at accountabilities and responsibilities too.</p> <p><u>By end August 2021</u> – we aim to have met more, have an accurate</p>		
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			<p>'as is' and streamlined 'to be', with accompanying report to SMT – of course without specialist software, it will be difficult again to quantify savings and efficiencies.</p> <p>Request extension to due date: 31st August 2021</p>		
17 SRR 08 Information Sharing	<p>The Council should ensure that the Customer Record Management system is fit for purpose and is accessible by all staff dealing with the Council's service users, especially those with violence markers. As the reporting, recording and maintaining of information on incidents will always be user dependant, it is vital that all users are trained up and encouraged to make use of and update the CRM system regularly.</p> <p>The Council should also consider a regular group email updating users on both incidents and markers.</p>	85%	<p>06-May-2021 Additional extension requested for this action as ICT development have competing priorities at this time. Officer visits are limited at present due to Covid-19 and there is still the previous process/internal control in place as and when needed.</p> <p>Requested revised due date: 31 August 2021</p>	30-Jun-2018	31-Mar-2021
19 GDPR 02 Management with	Management in cooperation with the HR department should consider	75%	18-May-2021 Data protection training continues to be provided via	31-May-2019	31-Mar-2021

<p>HR consider Ongoing Training</p>	<p>implementing a schedule of refresher training to ensure staff remain fully aware of their GDPR responsibilities. This can be in the form of one to ones with the DP leads or as previously carried out, refresher workshops.</p> <p>The Council should also explore the possible introduction of an e-learning package which would enable them to incorporate all mandatory training into one easy to use application and allow them to manage and monitor staff compliance.</p>		<p>virtual sessions on Skype and/or Microsoft Teams, substantially in response to Covid 19, for new starters. Additionally Data Protection Leads complete early induction training for new starters via a form which sets out key data protection points for each team. Refresher training has been delivered via an online quiz on Insite but this has produced some errors in terms of easily monitoring uptake in that the staff list on Insite is not kept fully up to date since there are now competing contact lists on tools such as Skype. HR are continuing to investigate e-learning software for the Council on a corporate basis (incorporating data protection) and seek an extension to the time to consider this to 31 March 2022. The Payroll software allows staff to be notified of training video uploads which they can access when reviewing their payslips. This uses links to restricted videos uploaded to YouTube. There is not currently a data protection video there but it is likely to be helpful to record a</p>		
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			<p>session to allow staff to review this and remind themselves of how data protection works as an when they would like – again this will be delivered by and before 31 March 2022. Finally the delivery of training for waste and recycling crews is being addressed via a presentation to be delivered by supervisors this will also be delivered by or before 31 March 2022.</p> <p>Request revised due date: 31 March 2022</p>		
19 GDPR 04 Data Cleanse	The Council should continue to undertake a data cleansing exercise of both paper and electronic records to provide assurance that personal information is not being retained for longer than there is a business need and records are disposed of in a safe and secure manner.	70%	18-May-2021 Data Retention Schedules are published online on the Council's website and are now fully up to date, including being regularly maintained and reviewed by Data Protection Leads with annual reminders to ensure this is done. The main issue raised by the audit was the lack of compliance with retention schedules by Revenues and Benefits due to the	30-Apr-2019	31-Mar-2021

			<p>lack of ability to delete through the Civica systems. The Council has now procured the deletion module from Civica and is now able to delete records once the retention period is reached. This requires work on the part of Revenues and Benefits to apply the module to their records. The Covid 19 pandemic has placed unprecedented pressure on the Revenues and Benefits team, via having to issue business grants to respond to Covid 19 hardship on local businesses on short notice, meaning they have been unable to devote time to this project which they had originally set out to be completed by 31 March 2021. This is represented in the service plan for Revenues and Benefits which has this with a revised deadline of 31 March 2022 to apply the deletion module to records held.</p> <p>Request Revised due date: 31 March 2022</p>		
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<p>20 BC 01 Update of the Business Continity Plan & Policy</p>	<p>The BCM Policy and BCIM Plan should be reviewed and updated to reflect current Council requirements. Such policies and plans should then be reviewed and updated on an annual basis.</p>	<p>50%</p>	<p>17-May-2021 Policy was updated in 2020 but due for another renewal now.</p> <p>BC plan/ Implementation plan forms part of the first phase of the BC project (agreed by SMT on the 17.05.21) and will be completed by 25th October. This is considered a high priority task but is dependent on the completion of two other audit recommendations first.</p> <p>See uploaded supporting documents under 'more'.</p> <p>Request revised due date: 25 October 2021</p>	<p>31-Mar-2021</p>	<p>31-Mar-2021</p>
<p>20 CC 03 An exercise to remove those entries on the weekly exception where the debit & credit totals upon invoice shown</p>	<p>An exercise should be undertaken upon the weekly creditors exception report to remove those entries where the debit and credit totals upon invoices shown for an individual creditor contra each other out. These instances date back to</p>	<p>0%</p>	<p>17-May-2021 This recommendation has been delayed due to the increased demand on the team by Covid-19.</p>	<p>26-Feb-2021</p>	<p>26-Feb-2021</p>

<p>contra each other out</p>	<p>the 2008/09 and 2013/14 financial years and also relate to more recent times.</p> <p>Likewise, there are credit notes shown upon the exception report and held within the creditors system where no subsequent invoice of a greater value has been received in respect of that creditor which date back as far as the 2002/03 financial year.</p> <p>Three scenarios of creditors where significant credit note balances exist (Cr No 356355 -£494.90 (2012/13), Cr No 336777 -£710.40 (2011/12) and Cr No 336777 -£717.10 (2014/15) are possibly too old to pursue. However, more recent credit notes held upon the exception report should be investigated as to whether further invoices of a greater value will be received from the companies. If this is not the case action should be taken to seek reimbursement to NDC of the value of credits held (Cr No 375942 -£396.49, Cr No 376372 -£1,005.38). Appropriate write off action should then be taken for any money that cannot be recovered.</p>		<p>Request revised due date: 31 August 2021</p>		
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<p>20 CC 04 Contingency Plan for Cash Collection</p>	<p>A Contingency Plan should be created for the cash collection function which is adequate for purpose. Staff should be made aware of the contingency plan and understand what is expected of them in the event of a business continuity issue.</p>	<p>0%</p>	<p>17-May-2021 Request revised due date due to the team concentrating on administering business grants.</p> <p>Request revised due date: 31st August 2021</p>	<p>31-Mar-2021</p>	<p>31-Mar-2021</p>
<p>20 FB&E 03 Monitoring Fraud Awarenes E- Learning</p>	<p>The Council should send reminders to all staff asking that they complete the fraud awareness e-learning module if they have not done so already and to confirm their completion.</p>	<p>30%</p>	<p>19-May-2021 Discussions have taken place with Ken Johnson (Counter Fraud Services Manager) to look into the E-learning platform that is available through Devon Audit Partnership. This will be progressed through our ICT team to enable roll out across the Council.</p> <p>Request revised due date: 30 September 2021</p>	<p>30-Sep-2020</p>	<p>31-Mar-2021</p>

Table D: Outstanding Audit Recommendations

Code	Description	Progress	Latest Note	Original Due Date	Due Date
20 CG&RM 01 Review, update & version control the Risk Management Framework & re-publish to Middle Managers	The Risk Management Framework should be updated to reflect current roles and responsibilities, and a review process introduced to ensure it is reviewed at appropriate intervals.	90%	19-May-2021 This document was reviewed & updated in December 2020 and will be published to middle managers following the next CORGI meeting.	31-Dec-2020	31-Dec-2020
20 CG&RM 06 Republish the revised Risk Management Framework to all Middle Managers and Staff	Following update of the Risk Management Framework, the requirements detailed in the new document to identify, manage and escalate risks should be communicated to all staff.	90%	19-May-2021 This document has been reviewed & updated and the revised document will be circulated to all staff following next Corgi Meeting.	31-Mar-2021	31-Mar-2021
20 CG&RM 08 CRR The Corporate Risk Register should be reviewed to significantly reduce the number of highest rated risk, core mitigating actions should be	The Corporate Risk Register should be reviewed to significantly reduce down the number of risks and to focus on the highest rated risks (i.e. Pandemic C-19 risk). Risks should highlight the core mitigating actions for management to implement, with target dates, to reduce	0%	19-May-2021 These will be reviewed at our next CORGI meeting, where the mitigation actions will be appropriately assigned and put in action central on Pentana.	31-Mar-2021	31-Mar-2021

<p>put into action central and tracked on Pentana to ensure management & implementation</p>	<p>the risk rating down to an acceptable level. Those significant actions should be tracked using Pentana.</p>				
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5 Progress tracking of Annual Governance Statement

- a. An annual review of NDC's governance arrangements leads to the Annual Governance Statement, which forms part of the Statement of Accounts.
- b. In addition to any other issues the review captures recommendations from external and internal audit and inspections and sets out an action plan. This plan is tracked through Covalent; Table E below.

6 Constitution Context

Appendix and paragraph	Referred or delegated power?
5.5	Delegated

7 Statement of Internal Advice

- c. The author (below) confirms that advice has been taken from all appropriate Councillors and officers.

Author: Sarah Higgins Date: 24th May 2021

Reference: Audit Recommendation Report June 2021 V1.1

Table E: Annual Governance Statement 2019/20

Code	Description	Status	Progress Bar	Latest Note	Original Due Date	Due Date
AGS 19/20 01 Review all business continuity plans an introduction of business resumption plans	A review of all business continuity plans and introduction of a corporate business resumption plan together with a cyber attack response plan, a revised Disaster Recovery Plan and new Cyber Incident Response Plan	 In Progress	0%	We have a Cyber Incident Response Plan, which was adopted by SMT a couple of years ago. The team have been reviewing this and there was another meeting on 17th December to complete.	31-Mar-2022	31-Mar-2022
AGS 19/20 02 Development of an Action Plan to implement recommendations from the Peer Review	Formal reporting of the Peer review report should take place once received. An Action Plan should also be developed to implement appropriate recommendations.	 In Progress	0%	Due to the effects of Covid-19 this has been delayed. Request revised due date 30th September 2021	31-Mar-2021	31-Mar-2021
AGS 19/20 03 Financial and Governance	A system for reporting breaches to Governance	 In Progress	0%	Due to the effects of Covid-19 this has been delayed.	31-Mar-2021	31-Mar-2021

Contract Procedure rules	Committee should be introduced			Request revised due date 30th September 2021		
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