

NORTH DEVON COUNCIL

Report Date: 16th November 2021

Topic: **AUDIT RECOMMENDATION TRACKER**

Report by: CHIEF EXECUTIVE

1 Introduction

1.1 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 8th June 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 1,304.

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	55%	3	1	0
20 FB&E	Fraud, Bribery & Ethics 2018/19	▶ In Progress	86%	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	92%	6	2	0
20 MCS&BC	Main Accounting System & Budgetary Control 2020/21	▶ In Progress	50%	1	1	0
20 P	Payroll 2019/20	● Overdue	0%	0	0	1
20 C	Creditors	▶ In Progress	50%	0	3	0
21 HB	Housing Benefit 2020/21	▶ In Progress	60%	0	2	2
21 SC-19 O	Safe Covid-19 Operations 2020/21	▶ In Progress	77%	2	5	0
21 BCFU	Business Continuity Follow Up March 2021	▶ In Progress	4%	6	3	0
21 CSM&R	Cyber Security – Malware & Ramsonware April 2021	▶ In Progress	17%	8	9	3
21 CT&NNDR	Council Tax & NNDR 2020/21	▶ In Progress	66%	0	2	1
21 FUR	Follow Up Recommendations April 2021	● Overdue	50%	0	1	0
21 Pro	Procurement 2020/21	▶ In Progress	12%	0	7	1
21 PO	Parking Operations 2020/21	▶ In Progress	26%	2	0	0
21 CCG	Climate Change Governance	▶ In Progress	75%	0	3	1
21 D	Debtors August 2021	▶ In Progress	0%	0	2	3
21 P	Payroll 2020/21	▶ In Progress	32%	0	9	6

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

Recommendation	Closure Note	Original Due Date	Completed Date
20 FB&E 04 Documented Procedures	The recommendation went to Committee on 8th June and it was resolved that the procedural document for the investigation of suspected fraudulent occurrences be approved as set out in Appendix A of that agenda.	30 Sep 2020	08 June 2021
20 CC 03 An exercise to remove those entries on the weekly exception where the debit & credit totals upon invoice shown contra each other out	All credit notes over 6 years old have now been cancelled and the system updated accordingly	26 Feb 2021	07 Sept 2021
20 FB&E 05 Reporting Management Information	At Committee on 8th June it was resolved that an additional paragraph entitled "Periodic reporting of irregularities to Senior Management and Members" be added to the AFCBPS as set out in Appendix B in that agenda.	30 Sep 2020	08 June 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 June 2021

<p>21 CSM&R 10 Set up automated reported of user accounts inactive for, say, 60 days or more and disable the inactive accounts.</p>	<p>We have always done this. We run a 'Last Login Report' against Active Directory. This highlights when users have last connected to NDC. Users are disabled and permissions removed from Active Directory when we have either received the leaver's form from the Manager, when HR inform us by emailing a distribution group, or capturing any missed user by running the last logon report.</p>	<p>30 June 2021</p>	<p>07 June 2021</p>
<p>21 CSM&R 01 Turn Office macros off unless they are required for day-to-day business functions</p>	<p>All macros have been disabled to reduce the threat window.</p>	<p>31 Mar 2022</p>	<p>07 June 2021</p>
<p>21 CT&NNDR 03 NDC website Council Tax Empty Property narrative requires to be updated with regard charges applicable under the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018</p>	<p>The NDC website has been updated as per the recommendation</p>	<p>30 Jun 2021</p>	<p>08 Sept 2021</p>

<p>21 HB 03 Include Housing Benefit overpayments recovered within the HoR Performance and Financial Management report to S&R</p>	<p>This will be included in the quarterly Housing Benefit write off report to the Accountancy Services Manager & added to the quarterly performance report</p>	<p>30 Jun 2021</p>	<p>06 Sep 2021</p>
<p>21 CSM&R 11 Increase the sample size for user accounts checked every three months or carry out & record full review of AD accounts annually</p>	<p>We now have a recurring weekly task in the Service Desk calendar to check permissions of 5 users every Friday afternoon. We will accelerate this during quieter periods so we check all uses in a calendar year. The process will then start again. During this process we are also highlighting what we believe to be defunct groups in Active Director, these are emptied and will be deleted once we are satisfied they are no longer in use.</p>	<p>30 Jun 2021</p>	<p>07 Jun 2021</p>
<p>21 SC-19 O 06 HoS responsible for regularly reviewing staffs time balances on Etarmis or paper system & escalate issues to SMT which are out of their control</p>	<p>All Heads of Service will be reviewing Etarmis as a matter of course to ensure leave, flexi and Toil balances are managed appropriately.</p>	<p>30 Jun 2021</p>	<p>07 Sept 2021</p>
<p>21 P 04 Audit trail for a user setup request & authorisations for iTrent users who have access other than ESS e.g. Systems Admin, Payroll Admin, HR Admin.</p>	<p>An e-mail request from an appropriate Manager is now required to give more than general access to iTrent</p>	<p>30 Jun 2021</p>	<p>07 Sept 2021</p>

<p>21 P 09 Starters, Movers & Leavers we will work with the HR team to ensure that standard forms carry the appropriate degree of certification.</p>	<p>HR confirmed that they will ensure all forms correctly certified moving forwards. Julie Chandler e-mail 7/9/21 and all HR staff notified.</p>	<p>30 Jun 2021</p>	<p>07 Sept 2021</p>
<p>21 SC-19 O 02 Programme of pro-active HS inspections of all Council high risk settings by the HS Advisor / Team & report back to SMT</p>	<p>Along with many organisations, the Council struggled to procure adequate supplies of PPE and hand sanitizers at the start of the pandemic. There is no longer any shortfall in the availability of this equipment / material. In promoting the findings of this audit, employees and their managers will be reminded of their responsibilities to maintain proper Covid-19 controls. This promotion of positive practice will be followed by a programme of pro-active HS inspections of all the Council's high risk settings by the HS Advisor/her team. The findings will be reported back to SMT. The Council will invoke formal disciplinary procedures if need to ensure proper standards.</p>	<p>30 Jun 2021</p>	<p>01 July 2021</p>
<p>21 P 08 More recent Purchasing Card usage should be uploaded to the public portal (most recent upload was in December 2020 of the April to June 2020 data)</p>	<p>This is completed, all transactions up to date.</p>	<p>01 Oct 2021</p>	<p>17 Aug 2021</p>

20 CG&RM 01 Review, update & version control the Risk Management Framework & re-publish to Middle Managers	Following CORGI meeting on 15th September, this document is being published to middle managers	31 Dec 2020	17-Sep-2021
20 CG&RM 06 Republish the revised Risk Management Framework to all Middle Managers and Staff	Following CORGI meeting 15th September, the document will now be circulated to all staff.	31 Mar 2021	17-Sep-2021
20 CG&RM 08 CRR reviewed to significantly reduce the number of highest rated risk, core mitigating actions should be put into action central and tracked on Pentana to ensure management & implementation	Following CORGI meeting on 15th September, some suggested risks have been highlighted to be de-escalated and the outcome will come from the meeting when presented.	31 Mar 2021	17-Sep-2021
21 HB 02 Management should consider when it will be able to reinstate the amount of monthly checks undertaken	Accuracy checked have been re-instated following the reallocation of Test & Trace payments.	30-June-2021	30-June-2021
21 CCG 01 A programme of reports will be considered by the S&R Committee to address all the issues raised and move the organisation to best practice	A new Environmental Policy was adopted October 2021	31-Oct-2021	31-Oct-2021

21 CCG 02 Align CAT meetings with S&R dates so that CAT feeds into S&R more effectively with clear governance	This has been implemented	31-Oct-2021	31-Oct-2021
21 CCG 03 Include Climate Change as a risk on the CRR with these new risks being considered by the Council's Risk Management Group in October	Climate Risk has now been included on the Corporate Risk Register	31-Oct-2021	31-Oct-2021
21 P 07 Review the sufficient level of support evidence to ensure that adequate records are retained going forward	Screen shots of the General Ledger are now saved for the monthly payroll reconciliations. GL enquiries have been set up to review GL control codes as part of the monthly bank reconciliation	30-Jun-2021	03-Nov-2021

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>07-Sep-2021 We have now developed an accurate 'as is' process map, where we identified seven different teams are keeping the same type of S106 records in different ways, usually one or more spreadsheets.</p> <p>From September we have a comprehensive list of Mastergov / DEF system changes needed for it to be able to become the sole repository of all information for S106. We will need to get a corporate agreement to forge ahead with the changes, by detailing the cost / benefit of them via a report to SMT – in the same way we did following other process-reviews.</p> <p>Terms of Reference have been received from DAP for a forthcoming Audit specifically for S106 which may supersede this recommendation.</p> <p>Request revised due date of 31st March 2022 to allow for new audit to take place and recommendations to be published</p>	31-Dec-2016	31-Aug-2021

<p>17 SRR 08 Information Sharing</p>	<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>	<p>85%</p>	<p>31-Aug-2021 Additional extension requested for this action as ICT development have competing priorities at this time. There is an existing process/internal control in place as and when needed.</p> <p>Requested revised due date: 31st March 2022</p>	<p>30-Jun-2018</p>	<p>31-Aug-2021</p>
<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>Will review contingency plans for Governance as part of new role</p> <p>Request extension to 31st December 2021</p>	<p>31-Mar-2021</p>	<p>31-Aug-2021</p>

<p>21 SC-19 O 07 SMT will ensure that a core level of mental health awareness is provided through its overarching Health & Wellbeing Strategy</p>	<p>A series of courses have been provided to assist managers and staff with challenges during the pandemic, including mental health awareness / webinars. The courses have not been made mandatory and it is likely that these opportunities will have been taken up by only a few individuals.</p>	<p>55%</p>	<p>07-Sep-2021 The new Head of Organisational Development has now been recruited and in post. The Health & Wellbeing Strategies development will continue to be developed but many actions have already been delivered.</p> <p>Extension of Time: 31 March 2022</p>	<p>30-Jun-2021</p>	<p>30-Jun-2021</p>
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<p>21 SC-19 O 05 Introduce quarterly pulse surveys of every employee</p>	<p>The Council undertook their survey in July 2020 to establish how people were coping at home. No survey has not been undertaken by the Council for the wider workforce to understand how Covid is impacting on the wider workforce. We consider that the Council should instigate periodic surveys as they provide insight to senior management on how staff are feeling and informs of any areas where time / resource could improve working conditions and wellbeing for staff. The move by Senior Management to carry out personalised risk assessments would enable management to provide tailored support. Undertaking a survey post implementation would be beneficial as this would provide a measure of impact and whether it was successful.</p>	<p>0%</p>	<p>An extension of time is requested for 30th November 21 to allow time for the OD group to consider.</p>	<p>31-Jul-2021</p>	<p>31-Jul-2021</p>
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<p>20 BC 01 Update of the Business Continuity 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>10%</p>	<p>Update of the Business Continuity Plan and Policy until the 31st December 2021.</p> <p>Since the 2018/19 Audit Business Continuity has been undergone another audit and in response a project plan was signed off by Senior Management in April 2021 to address these recommendations. This project plan was presented to Governance Committee in June 2021 and a completion date of the 31st December 2021 was set. There is still the intention to update the Business Continuity Implementation Plan and this is encompassed within audit recommendation 1 in the 2021 audit. However, there are a number of actions that need to be completed prior to this stage. Therefore an extension to the 31st December is being requested to align this with the timeline for the project. It is estimated that the 20 BC 01 is currently 10% completed.</p>	<p>31-Mar-2021</p>	<p>31-Mar-2021</p>
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<p>21 SC-19 O 03 Urgently re- instate Mental Health & Wellbeing Workstream</p>	<p>During a review of North Devon’s risk management framework earlier in 2020, we were informed that the mental health and wellbeing workstream to address the mental health risk from the corporate risk register, had been put on hold due to the pandemic. The pandemic has had a significant negative impact on people’s mental health and wellbeing, which has been highlighted in the survey. This workstream needs to be urgently re-instated</p>	<p>0%</p>	<p>There are 3 aspects to this recommendation;</p> <p>A new Attendance Policy – The majority of work has been undertaken with a draft policy agreed by SMT & Unison. A few minor points to conclude and revised policy will then be rolled out to managers and staff.</p> <p>Mental Health First Aiders - 50% of the identified first aiders have been trained with the remaining to be trained shortly.</p> <p>Using group supervision counselling when teams have experienced particularly traumatic incidents – A group supervision provider has been identified and pilots taken place with successful outcomes. Now seeking to deliver on a regular basis</p> <p>Request revised due date 31 December 2021</p>	<p>30-Jun-2021</p>	<p>30-Jun-2021</p>
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21 BCFU 02	Identify & Focus on the Key Priority 1 Services	40%	<p>Request extension until 31 December 2021 in line with final completion of project plan (this doesn't impact the delivery date, solely amends the situation with progress target dates).</p> <p>Business Impact Assessments have been received from all departments with exception of Environmental Health and Financial Services to date.</p> <p>The need for this has been discussed with Heads of Service and Business Continuity Leads have been instructed to complete as a priority.</p> <p>There were some delays because of annual leave, and it is possible that the SMT restructure will have an ongoing impact on the completion of this area of work.</p> <p>Once all BIAs have been received a priority list will be presented to SMT for consultation and once agreed the NDC BC Implementation Plan will be updated. The date for this was the 18 October, for which it is now unlikely that we will meet this target, however the final project completion date of the 31 December 2021 is still achievable.</p>	31 Aug 2021	31 Aug 2021
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21 BCFU 07	Identify Key Contractor Services	0%	<p>Request extension until 31 December 2021 in line with final completion of project plan (this doesn't impact the delivery date, solely amends the situation with progress target dates).</p> <p>Business Impact Assessments have been received from all departments with exception of Environmental Health and Financial Services to date.</p> <p>The need for this has been discussed with Heads of Service and Business Continuity Leads have been instructed to complete as a priority.</p> <p>There were some delays because of annual leave, and it is possible that the SMT restructure will have an ongoing impact on the completion of this area of work.</p> <p>Once all BIAs have been received a priority list will be presented to SMT for consultation and once agreed the NDC BC Implementation Plan will be updated. The date for this was the 18 October, for which it is now unlikely that we will meet this target, however the final project completion date of the 31 December 2021 is still achievable.</p>	31 Aug 2021	31 Aug 2021
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21 CSM&R 15	Keep at least one backup offline at any given time	0%	<p>We have 10TB of cloud storage which is not enough for all our servers/data. We are awaiting for priority services to be identified by the Business Continuity Plan.</p> <p>We have a meeting with Cristies (our back up supplier) on 15th Sept to discuss our needs. Budget has been made available and we will write the RFW stating that it isn't viable to seeks costs from other suppliers as we wish our back-up suite to be supplied and managed by the same company in the event of a disaster</p> <p>Request revised due date of 31st January 2022</p>	31 Aug 2021	31 Aug 2021
21 CSM&R 17	Update recovery/restoration process to include specific steps to verify all systems used in the recovery are clean from malware/ransomware before connecting to the backup & starting recovery.	0%	<p>The feasibility of this recommendation is being explored with regard to our back up system and AV set up. At a recent meeting with DAP we flagged the issues with the Windows 10 upgrade has put us behind schedule.</p> <p>Request revised due date: 31st March 2022</p>	31 Aug 2021	31 Aug 2021
20 MCS&BC 02	Implementation of Civica Financials Software V19.5, V20 & V21 should be report to the S&R in the quarterly performance report	0%	<p>There is a plan in place for the roll out of the most recent version by 31st March 2022</p>	30 Sept 2021	30 Sept 2021

21 P 02	Revise the Expenses Policy aligned to the Employee Self-Service Module	0%	The revised policy will need to be aligned with and reflect the Employee Self-service module and so the decision was taken to defer the review until ESS has been implemented. Request revised due date: 30th April 2022	30-Sep-2021	30-Sep-2021
21 P 06	Look to introduce separation of duties within day to day payroll activities, ensuring independent quality control checks are introduced.	80%	Now the business grant have been completed more resource is being put into the Payroll function and this separation of duties will be enhanced over the next few months. Revised due date: 31st March 2022	30-Sep-2021	30-Sep-2021
21 P 12	Feasibility of producing reports on (1) multiple payment to the same bank account; (2) changes to the bank account information where changes are process by HR/Payroll.	95%	Reports run in Test, just a few queries to resolve with supplier. Request revised due date: 31st January 2022	31-Jul-2021	31-Jul-2021

Table D: Outstanding Audit Recommendations

Code	Description	Progress	Latest Note	Original Due Date	Due Date
NIL					

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: 3rd November 2021

Reference: Audit Recommendation Report November 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%	An update of the BIAs was presented to SMT 08 November 2021, which identified recovery points to enable ICT to consider their response. ICT also have a Cyber Scenario workshop booked for November which will provide an playbook as an output of this exercise.	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%	NDC invited the LGA back to carry out a Follow-up Corporate Peer Challenge and we await their final report, which will then we published to all members and staff and the action plan tracked and reported against.	31-Mar-2021	30 Sep 2021

				Request revised due date: 31st March 2022		
AGS 19/20 03 Financial and Contract Procedure rules	A system for reporting breaches to Governance Committee should be introduced	 In Progress	0%	Due to the continued effects of Covid-19 this has not yet been brought forward, therefore an extension has been requested to the end of the financial year. Request revised due date: 31st March 2022	31-Mar- 2021	30 Sep 2021