NORTH DEVON DISTRICT COUNCIL

REPORT TO: **GOVERNANCE COMMITTEE**

Date: 11th June 2019

TOPIC: **AUDIT RECOMMENDATION TRACKER**

REPORT BY: **HEAD OF CORPORATE AND COMMUNITY SERVICES**

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 5th March Audit 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.

Table A) Live Audit Reports, Status & Numbers of Recommendations
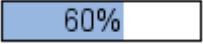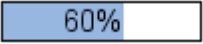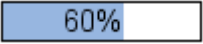
Code	Title	Status	Progress	High Risk	Medium Risk	Low Risk
14 AP	Action Plan 2013/14	In Progress	92%	0	1	1
14 E&D	Equality & Diversity 2013/14	In Progress	93%	0	1	2
15 AH	Affordable Housing 2014/15	Overdue	93%	0	1	4
15 DR	Disaster Recovery 2015/16	Overdue	89%	0	6	0
15 HN (CBL)	Housing Needs (Choice Based Lettings) 2015/16	In Progress	80%	0	1	0
15 PSR (DFG)	Private Sector Renewal (Disability Facilities Grants) 2015/16	In Progress	90%	0	1	2
16 BCM	Business Continuity Management 2015/16	Overdue	93%	0	8	1
16 HN (CBL)	Housing Needs (Choice Based Lettings) 2016/17	In Progress	85%	0	0	5
16 PL	Planning Applications 2015/16	In Progress	91%	0	3	0
16 SP	Severance Packages 2015/16	In Progress	50%	0	1	1
17 C&P	Commissioning and Procurement 2017/18	In Progress	66%	0	2	1
17 CS	Cyber Security 2016/17	Overdue	78%	0	3	3
17 SRR	Security Review Report 2017/18	In Progress	95%	4	5	0
17 L	Licencing 2017/18	In Progress	75%	0	1	3
17 G	Grants 2017/18	In Progress	85%	0	2	5
17 PO	Parking Operations 2017/18	In Progress	75%	0	2	0
18 CC	Cash Collection	In Progress	0%	0	0	1
19 E&ES	Email & Exchange Server 2018/19	In Progress	50%	0	3	1
19 GDPR	General Data Protection Regulations 2018/19	In Progress	49%	0	0	7
19 MAS & BC	Main Accounting System and Budgetary Control 2018/19	In Progress	0%	1	0	1
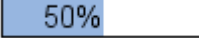
Table B) Audit recommendations setting completed since the last Audit Committee
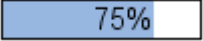
Recommendation	Closure Note	Original Due Date	Completed Date
16 C & CE 02 **Contracts & Capital Expenditure** Due Diligence of Consultants	This has now been included in the Constitution	31-Jan-2019	22-May-2019
18 C 01 **Creditors** Copy of Use of E-Procurement System	Q3 2018/19 66% of invoices paid with purchase order Q4 2018/19 71% of invoices paid with purchase order	31-Mar-2019	03-May-2019
19 E&ES 03 **Email & Exchange Server** Access requests and changes to the mailboxes	All requests will be asked to advise why they require access and for how long, these will then be discussed at our Change Advisory Board (CAB), decisions documented on our Service Desk and termination dates set and followed through to ensure access or closure of those accounts are actioned.	01-Mar-2019	01-Mar-2019
19 E&ES 04 **Email & Exchange Server** E-Mail Security	Emails have been moved to Office 365 and security recommendations have been implemented TLS, DKIM and DMARK.	30-Apr-2019	17-May-2019
19 PO 02 **Parking Operations** Contracts are in-place and current	New contract in place for P&D maintenance. Cashless parking being procured May / June in partnership with other Devon LA's will have new contract. New permit system (and contract) procured being installed from September 2019 Lynton Agency Agreement due for review March 2020 Combe Martin & Braunton cash collection contracts will be reviewed as part of wider cash processing review in 2020.	30-Apr-2019	13-May-2019
16 BCM 05 **Business Continuity Management** Alignment to the IT Disaster Recovery Plan	A service specification has now been completed. Please see attached documentation which details service resumption times which have been agreed by SMT.	30-Jul-2016	30-Apr-2019
16 EP 09 **Emergency Planning** Procurement	Memorandum of Agreement for Devon Emergency Planning Partnership now signed - see attached. Mutual Aid Agreement now signed - see attached.	30-Apr-2017	31-May-2019

17 C&P 02 **Contracts & Capital Expenditure** Effective Use of Procurement Portal	Apprentice now employed. Training on-going.	30 Apr 2019	30-May-2019
17 C&P 03 **Contracts & Capital** Analysis of Key Supplier Spend	A report detailing supplier totals (and detail) for the year 18-19 has been sent to the Procurement team. They will also receive reports on a monthly basis from now on. They will be able to use the spreadsheet data to check and challenge compliance with Contract Procedure rules.	31 Oct 2018	30-May-2019
17 G 01 **Grants** Historic grant funding agreements	The North Devon Biosphere SLA has been approved and a copy uploaded to this action. This action is now completed	17 May 2019	28 May 2019

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	Extension of Time Request
14 AGS 02 **Annual Governance Statement**	Review & update the IT Disaster Recovery Plan. To have in place an adequate plan and policy to deal with major ICT risks	60%	**Request an Extension of Time:** The Business Continuity Recommendations have last month (April 19) confirmed which services they have established are priority for recovery. ICT await absolute confirmation that these are now the priorities. ICT will then review these and advise SMT/Governance what our current recovery capabilities are and what further mitigation would be required to achieve these recovery points. This will require a revised back-up model either on-premise, in the cloud or a hybrid approach. ICT will also consider Disaster Recovery as a Service (DRaaS) which would also provide x2 DR Test Plans a year. ICT also have an approved Cyber Incident Response Plan.	31-Mar-2015	31-Mar-2020
15 DR 05 **Disaster Recovery** Undertake new Business Impact Assessment to ensure crital systems in DR Plan are correct. Include SMT in development of DR Plan + annual BIA conducted to ensure criticality of system in line with business need	**Disaster Recovery Procedures** A new Business Impact Assessment (BIA) should be undertaken to ensure that the critical systems listed in the DR Plan are the correct ones. There should be input from other areas of the Council and from SMT in the development of a DR Plan to ensure that it meets the Council's needs. If possible, an annual BIA should be conducted to ensure that the criticality of the systems identified are in line with the business needs.	60%	As above 14 AGS 02	12-Oct-2015	31-Mar-2020
15 DR 06 **Disaster Recovery** Test DR Plan annually. Test reports	**DR Plan Test** The DR Plan should be tested annually. DR test reports should be documented with lessons learned incorporated into the DR Plan.	60%	As 14 AGS 02	31-Dec-2015	31-Mar-2020

documented with lessons learn & incorporated in DR Plan. SMT be informed for DR test results to inform their decision making	Senior Management should be informed of DR test results and reports in order to inform their decision making.				
17 CS 02 **Cyber Security** Network Security	Management should ensure that a formal Firewall Rules review schedule is developed and implemented. Reviews for existing firewall rules should be done on annual basis as a minimum. Formal training on the management of the firewalls should also be considered for at least 2 members of staff to ensure continuity of service in the event that the Senior Technical Analyst is absent for an extended period of time. Consideration should also be given to implementing a firewall at the Disaster Recovery site at Lynton House to ensure that the services, however limited, can be fully utilised with as minimal risk possible in the event of a disaster or loss of the main data centre at Brynsworthy.	0%	As 14 AGS 02	30-Apr-2018	31-Mar-2020
17 CS 04 **Cyber Security** Policy Development and Awareness	The Council should develop a mobile device and remote access control working policy (to include Smartphones and Tablets) to be agreed and disseminated to all staff throughout the organisation. Alternatively this could be incorporated into the IT security policy. The Information Security Policy should also be updated to reflect the Council's current minimum password controls as set within Active Directory. This should then be disseminated throughout the organisation to ensure all additional applications that have access controls outside of Active Directory adhere to these requirements.	50%	Home Working Policy now with HR in draft form, this will need to be presented to Workforce Matters for their consideration and aligned to the roll out of new assets to all staff.	31-Mar-2018	31-Nov-2019
16 SP 01 **Severance Packages** Early Retirement Policy	The HR Manager should review the Early Retirement Policy dated April 2008 to ensure it fully reflects current legislation, The Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006.	0%	This policy requires no changes at the moment until the legislation changes and this has been put on hold by the government and will likely need to go out to consultation again.	30-Sep-2018	30-Sept-2019

15 AH 04 **Affordable Housing** Sites Group Terms of Reference should be reviewed / updated to reflect roles & responsibilities of the group	**Sites Groups Terms of Reference Review** The Terms of reference for the Council's Sites Group should be reviewed and updated to ensure that this reflects the current roles and responsibilities and membership of the group.	75%	Extension of time request to the 28th June 2019. This will allow officers to have an informal dialogue with the Leader to see if he wishes to convene this or a similar group in the future.	31-Aug-2015	28-Jun-2019
16 BCM 07 **Business Continuity Management** Testing Strategy	A testing strategy should be documented and included as an Appendix within the Business Continuity Management Policy. The strategy should include: .　　Frequency of testing .　　Type of testing .　　People to involve in testing .　　Output of the testing .　　Production of action plans Reporting mechanism of test results.	40%	Testing not yet underway. This is a situation which has arisen following the departure from the authority of Amanda Palmer. Future testing will be dependent upon the procurement of new resources. Due to budgetary pressures a restructure of EHHS has recently been undertaken which has resulted in the provision of a new 'Emergency Planning Officer' post which will be of significant benefit to the Council. Testing expected to be achieved in 2019/20 dependent upon successful recruitment to the above mentioned post. Recommended extension until 30 April 2020.	30-Jul-2016	30-Apr-2020
17 SRR 06 **Security Review Report** Policies and Procedures	The Council should develop and communicate a Staff Safety & Security Policy containing at least the following themes: • Building access and security; • Frontline officer safety; • Visiting officers/lone workers; • Unreasonable and persistent customer behaviour; • Violence and aggression markers; • Supporting staff dealing with distressing situations; • Incident reporting; • Risk assessments; and • Information sharing. The reporting of all incidents should be promoted to enable an informed risk assessment of genuine risks according to local issues and to help with future	80% Now 90% system to be updated	Outstanding risk assessments have been chased by H&S Officer and are being updated. HR Policies have now been drafted and are currently being shared with the Union.	31 Mar.2019	31-Jul-2019

	planning. Documented pathways for staff exposed to incidents and how they will be supported should also be provided.				
17 SRR 08 **Security Review Report** Information Sharing	Violence and Aggression Markers are now be placed on our corporate Customer Relationship Management (CRM) System Firmstep. Level 1 and Level 2 access being determined for appropriate officers	80%			

Table D: Outstanding Audit Recommendations

Code	Description	Progress	Latest Note	Original Due Date	Due Date
	If all extension of time requests are approved. There are no outstanding audit recommendations to report to this meeting.				

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5. Progress tracking of Annual Governance Statement

5.1   An annual review of NDC's governance arrangements leads to the Annual Governance Statement, which forms part of the Statement of Accounts.

5.2   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.

2013/14 AGS action plan is 98 % complete

2014/15 AGS action plan is 96 % complete
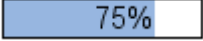
6. Constitution Context

Appendix and paragraph	Referred or delegated power?
5.5	Delegated

7. Statement of Internal Advice

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

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Table E: Annual Governance Statement

Code	Description	Status	Progress Bar	Latest Note	Original Due Date	Due Date
15 AGS 08 Complete audit recommendations to comply with agreed deadlines		🔴 Overdue	75%	22-May-2019 The Audit Recommendation Tracker provides a clear audit trail of how well services are delivering against their audit recommendations.	31-Mar-2016	31-Mar-2016