

Bolsover District Council

Audit Committee

29th July 2019

Implementation of Internal Audit Recommendations

Report of the Internal Audit Consortium Manager

This report is public

Purpose of the Report

- To present, for Members' information, a summary of the internal audit recommendations made and implemented for the financial years 2016/17 - 2018/19.

1 Report Details

- 1.1 This report is to inform Members of the Audit Committee of the progress made in respect of implementing internal audit recommendations in order that action can be taken if progress is deemed unsatisfactory. The implementation of internal audit recommendations is also monitored quarterly at Directorate meetings.
- 1.2 Appendix 1 details the outstanding internal audit recommendations as at the end of April 2019. The front page of the Appendix provides an analysis of the number of recommendations made and implemented for the financial years 2016/17 – 2018/19.
- 1.3 The timely implementation of internal audit recommendations helps to ensure that the risk of fraud and error is reduced and that internal controls are operating effectively.

2 Conclusions and Reasons for Recommendation

- 2.1 To inform Members of the internal audit recommendations outstanding so that it can be assessed if appropriate and timely action is being taken.

3 Consultation and Equality Impact

- 3.1 None

4 Alternative Options and Reasons for Rejection

- 4.1 Not Applicable

5 Implications

5.1 Finance and Risk Implications

5.1.1 Regular reports on progress against the implementation of internal audit recommendations ensures compliance with the Public Sector Internal Audit Standards and allows members to monitor progress.

5.2 Legal Implications including Data Protection

5.2.1 None

5.3 Human Resources Implications

5.3.1 None

6 Recommendation

6.1 That the report be noted.

7 Decision Information

Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds: <i>BDC: Revenue - £75,000</i> <input type="checkbox"/> <i>Capital - £150,000</i> <input type="checkbox"/> <i>NEDDC: Revenue - £100,000</i> <input type="checkbox"/> <i>Capital - £250,000</i> <input type="checkbox"/> <input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i>	No
Is the decision subject to Call-In? (Only Key Decisions are subject to Call-In)	No
Has the portfolio holder been informed	N/A
District Wards Affected	All
Links to Corporate Plan priorities or Policy Framework	All

8 Document Information

Appendix No	Title
Appendix 1	Summary of Internal Audit recommendations made and implemented 2016/17 – 2018/19
Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
N/A	
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Internal Audit Consortium - Report to Audit Committee
Summary of Internal Audit Recommendations made and implemented 2016/17 – 2018/19

Recommendations Made	2016/17	2017/18	2018/19
Number of High Priority	23	0	7
Number of Medium Priority	26	48	38
Number of Low priority	17	31	69
Total	66	79	115
Recommendations Implemented	66	78	57
High Recommendations Outstanding	0	0	2
Medium Recommendations Outstanding	0	1	7
Low Recommendations Outstanding	0	0	6
Not overdue yet	0	0	43
Total Overdue Recommendations	0	1	15
Percentage due implemented	100%	99%	79%

Audit	Recommendation Outstanding	Priority	Managers Comment
Food Hygiene Enforcement – November 17	<p>An overarching quality assurance process for food safety should be documented with consideration of FSA requirements and, as a minimum, an overview of the following areas:</p> <ul style="list-style-type: none"> - Overview of the work programme process to ensure all premises are timely inspected and reviewed, - Monitoring progress of the planned intervention programme, - Peer review frequencies and requirements, - Adhoc reviews of inspections by EHO's to ensure availability and full completion of inspection / audit paperwork - Consideration of internal performance indicators including issuing of 'stickers' within 14 days. 	Medium	Due to other work priorities this work process is still ongoing and will be progressed during 2018/19 and 2019/20

Risk Management – May 2018	The information requirements for operational risk registers should be reviewed to ensure that responsibilities are allocated to designated officers with respective timescales for the implementation of agreed actions to mitigate risk. Monitoring should then take place to ensure that agreed actions are taken and the risk score revised appropriately.	Medium	The information requirements have been reviewed. Monitoring is to take place to ensure that agreed actions are taken and risk scores reviewed regularly. The Strategic Director (People) is currently reviewing risk management arrangements
Risk Management – May 2018	Operational risk registers should be regularly reviewed at Service Team Meetings to ensure all current risks and potential actions for mitigation are considered	Medium	Managers have been reminded at quarterly Directorate meetings that their operational risk registers should be reviewed at team meetings. Checks are to be performed to ensure that this is happening. The Strategic Director (People) is currently reviewing risk management arrangements
Risk Management – May 2018	With the implementation of the revised management structure, it should be ensured that there is an operational risk register for each service area.	Medium	An exercise is to be undertaken to ensure that all service areas have a comprehensive operational risk register. The Strategic Director (People) is currently reviewing risk management arrangements
Risk Management – May 2018	Consideration should be given to the determination of the most	Low	The Strategic Director (People) is currently reviewing risk management arrangements

	important business critical suppliers to undertake an element of checking supplier health to provide additional assurance to the risk management process.		
Money Laundering – June 18	In line with the policy requirements, a periodic review of the Money Laundering Policy is required to ensure that it adequately reflects current legislation. The review should include, but not be limited to: <ul style="list-style-type: none"> • Anti-Money Laundering Regulations 2017 <ul style="list-style-type: none"> -Current roles & responsibilities -Risk areas -Training requirements, schedule and documentation required Customer due diligence 	Medium	The Officer responsible for implementing these recommendations has left the Council and they have been re allocated to the Joint Strategic Director - People
Money Laundering – June 18	A Compliance Officer should be formally appointed to oversee compliance, policies and procedures and ensure adhered to the new Money Laundering Regulations 2017.	Low	The Officer responsible for implementing these recommendations has left the Council and they have been re allocated to the Joint Strategic Director - People
Money Laundering – June 18	Once the Anti-Money	Medium	The Officer responsible for implementing these

	<p>Laundering policy has been updated and approved (as per R1 and R2 above), staff with key roles should be made fully aware of their associated responsibilities and ensure compliance with and awareness of the policy going forward. The policy should also be made available to wider employees via the intranet.</p>		<p>recommendations has left the Council and they have been re allocated to the Joint Strategic Director - People</p>
<p>Money Laundering – June 18</p>	<p>Reporting of Money Laundering incidents and limits of cash that can be accepted needs to be consistent across all staff guidance and related policies/policy to ensure potential issues are promptly dealt with in line with AML regulations.</p>	<p>Low</p>	<p>The Officer responsible for implementing these recommendations has left the Council and they have been re allocated to the Joint Strategic Director - People</p>
<p>Money Laundering – June 18</p>	<p>A training programme/matrix to be documented in line with the new regulations (previous training date, records for scope and effectiveness of training) and rolled out for employee's who are working in the "potential risk areas" to keep them</p>	<p>Low</p>	<p>The Officer responsible for implementing these recommendations has left the Council and they have been re allocated to the Joint Strategic Director - People</p>

	updated and refresh their knowledge.		
Money Laundering – June 18	The Anti-Money Laundering Compliance Officer (as recommended as part of R2) should undertake a periodic review of payments received into NEDDC and BDC sites. This should identify any regular or large payments of cash with a view to highlighting and reporting any potential instances of money laundering.	Low	The Officer responsible for implementing these recommendations has left the Council and they have been re allocated to the Joint Strategic Director - People
Transport Part 2 – July 2018	The range of reports required from the Tranman system are considered to determine the most cost effective way of producing a functional library of operational reports.	Medium	SB\PB to assess current report library and modify these where required by way of internal Crystal Report capability or Civica Tranman support. A further Internal Audit Review is due to take place in 2019/20
Transport Part 2 – July 2018	That a formal decision is made about progressing the interface between the Civica Financial and Tranman systems; potentially creating back office efficiencies.	Low	Further work to be undertaken to establish interfaces; however, where resource demand and/or cost of establishing is too onerous, then consideration will be given to not using the facility. A further Internal Audit Review is due to take place in 2019/20

Health and Safety – July 18	Restated: Ensure that health and safety training information is accurately reported to Members of the Health and Safety Committee at Bolsover District Council and to report regularly to Members of the Joint Consultative Group at North East Derbyshire District Council, as per R2 this should be made easier when records are held in one comprehensive and central record.	Medium	March 19 – on going checking of figures to ensure accurate reporting. Coding commenced for training courses to be added to HR21 to enable traceability of attendees. A further Internal Audit Review is due to take place in 2019/20.
Health and Safety – July 18	Restated: Create one corporate, comprehensive and centrally held record and maintain for recording all health and safety training data which is regularly updated to continually provide an accurate position for all members of staff.	High	March 19 – Coding of courses to be added to HR21 has commenced with HR A further Internal Audit Review is due to take place in 2019/20.
Health and Safety – July 18	Restated: The Health and Safety Manager should ensure that work place inspection documentation is comprehensively maintained, revisited and updated to ensure the following are easily identified:	High	March 19 – Process improved to empower managers to own workplace inspections for their area. H&S have devised a flowchart to outline the new format. Once approved by Joint Head of Service for Corporate Governance, a briefing note will be issued to managers outlining their responsibilities in this revised

	<ul style="list-style-type: none">• Location• Planned Inspection Date• Actual Inspection Date• Actions Identified Actions Implemented		procedure. A further Internal Audit Review is due to take place in 2019/20.
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