

Bolsover District Council

Audit Committee

26th November 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 - 2019/20 to date.

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 and monthly by the Strategic Alliance Management Team.
- 1.2 Appendix 1 details the outstanding internal audit recommendations as at the 8th of November 2019. The front page of the Appendix provides an analysis of the number of recommendations made and implemented for the financial years 2016/17 – 2019/20 to date.
- 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	Yes
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 – 2019/20 to date
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	
Report Author	Contact Number
Jenny Williams	01246 217547

Bolsover District Council

Appendix 1

Summary of Internal Audit Recommendations made and implemented 2016/17 – 2019/20 to date as at 8th November 2019

Recommendations Made	2016/17	2017/18	2018/19	2019/20 to date
Number of High Priority	23	0	8	0
Number of Medium Priority	26	48	41	12
Number of Low priority	17	31	85	23
Total	66	79	134	35
Recommendations Implemented	66	78	103	18
High Recommendations Outstanding	0	0	0	0
Medium Recommendations Outstanding	0	1	6	1
Low Recommendations Outstanding	0	0	11	0
Not overdue yet	0	0	14	16
Total Overdue Recommendations	0	1	17	0
Percentage due implemented	100%	99%	86%	95%

BDC Internal Audit Recommendations

2017/18

Report Ref	Audit	Directorate	Conclusion	Recommendations			Total	Not Overdue	Overdue	Implemented
				High	Medium	Low				
B020	Food Hygiene Enforcement	Growth	Reasonable		4	3	7		1	6
Total				0	4	3	7		1	6

2018/19

Report Ref	Audit	Directorate	Conclusion	Recommendations			Total	Not Overdue	Overdue	Implemented
				High	Medium	Low				
B001	Risk Management	People	Reasonable		3	2	5		5	
B003	Money Laundering	People	Reasonable		2	4	6		4	2
B005	Gifts and Hospitality	People	Substantial			3	3		2	1
B021	Pest Control	Place	Reasonable	1	1	2	4	1		3
B024	FOI/Env Regs	People	Substantial		1	3	4	1		3
B028	Housing Rents	Place	Substantial		1		1	1		
B029	The Tangent	Place	Reasonable		2	1	3	1		2
B030	Expenses and Allowances	People	Reasonable		5	2	7		3	4
B033	Housing Benefits	People	Substantial			2	2	2		
B034	Premises and Personal Licences	Place	Reasonable			7	7	3	3	1
B037	Fly Tipping - Back Office Systems	Place	Reasonable	1	3	10	14	2		12
B038	JVC Dragon Fly	Place	Substantial			4	4	2		2
B039	Disaster Recovery	People	Substantial			1	1	1		
Total				2	18	41	61	14	17	30

2019/20

Report Ref	Audit	Directorate	Conclusion	Recommendations			Total	Not	Overdue	Implemented
				High	Medium	Low		Overdue		
B001	Procurement	People	Reasonable		3	3	6	5	1	
B002	Property Services Compliance	Place	Reasonable		2	1	3	3		
B003	Sheltered Housing	Place	Reasonable		1	5	6			6
B004	Business Continuity & Emergency Planning	Place	Reasonable		1	4	5	2		3
B005	Corporate Targets & Local Indicators	People	Reasonable		2	1	3	2		1
B006	Safeguarding	People	Reasonable		1	2	3	1		2
B007	Clowne LS Operational	People	Substantial		1	4	5			5
B008	Treasury Management	People	Substantial				0			0
B009	Health & Safety	People	Substantial		1	2	3	2		1
B010	Capital Accounting	People	Substantial				0			0
B011	Creditors	People	Substantial			1	1	1		
Total					12	23	35	16	1	18

BDC Outstanding Internal Audit Recommendations

Audit and date audit completed	Recommendation Outstanding	Priority and Original Target Date	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 Not Specified	Due to other work priorities this work process is still ongoing and will be progressed during 2018/19 and 2019/20

Audit and date audit completed	Recommendation Outstanding	Priority and Original Target Date	Managers Comment
Risk Management – May 18	Risk Management should be included within the next version of financial regulations to ensure that the corporate responsibilities for this function are firmly enshrined within the Council's Constitution.	Low Not Specified	A large piece of work is currently being undertaken by the Strategic Director – People, on the subject that is risk Management. All the monitoring, reporting, reviewing and updating on risk management is being looked at. These outstanding old recommendations may no longer be relevant but will be considered in the review.
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 September 18	A large piece of work is currently being undertaken by the Strategic Director – People, on the subject that is risk Management. All the monitoring, reporting, reviewing and updating on risk management is being looked at. These outstanding old recommendations may no longer be relevant but will be considered in the review.
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 September 18	A large piece of work is currently being undertaken by the Strategic Director – People, on the subject that is risk Management. All the monitoring, reporting, reviewing and updating on risk management is being looked at. These outstanding old recommendations may no

Audit and date audit completed	Recommendation Outstanding	Priority and Original Target Date	Managers Comment
			longer be relevant but will be considered in the review.
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 September 18	A large piece of work is currently being undertaken by the Strategic Director – People, on the subject that is risk Management. All the monitoring, reporting, reviewing and updating on risk management is being looked at. These outstanding old recommendations may no longer be relevant but will be considered in the review.
Risk Management – May 2018	Consideration should be given to the determination of the most important business critical suppliers to undertake an element of checking supplier health to provide additional assurance to the risk management process.	Low December 18	A large piece of work is currently being undertaken by the Strategic Director – People, on the subject that is risk Management. All the monitoring, reporting, reviewing and updating on risk management is being looked at. These outstanding old recommendations may no longer be relevant but will be considered in the review.
Money Laundering – June 18	Once the Anti-Money 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	Medium December 18	Once policy is approved this recommendation will be completed.

Audit and date audit completed	Recommendation Outstanding	Priority and Original Target Date	Managers Comment
	of the policy going forward. The policy should also be made available to wider employees via the intranet.		
Money Laundering – June 18	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.	Low December 18	Once policy is approved this recommendation will be completed.
Money Laundering – June 18	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 updated and refresh their knowledge.	Low December 18	Once policy is approved this recommendation will be completed.
Money Laundering – June 18	The Anti-Money Laundering Compliance Officer (as recommended as part of R2)	Low	Once policy is approved this recommendation will be completed.

Audit and date audit completed	Recommendation Outstanding	Priority and Original Target Date	Managers Comment
	<p>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.</p>	December 18	
Gifts and Hospitality – June 18	<p>It should be ensured that the annual inspection report is presented to the Standards Committee during the year following inspection.</p>	<p>Low End June 19</p>	
Gifts and Hospitality – June 18	<p>Consideration be made to adding 'print name', 'position' and 'date of authorisation' to the Gift/Hospitality Declaration form and to check the Gifts and Hospitality forms upon receipt for appropriate authorisation signatures.</p>	<p>Low End March 19</p>	

Audit and date audit completed	Recommendation Outstanding	Priority and Original Target Date	Managers Comment
Expenses and Allowances – January 19	As soon as the system is running as expected, liaise with HR to update the HR21 Guidance to reflect the actual procedures for inputting and claiming mileage and expenses across both authorities. Furthermore, to ensure transparency and clarity, consider using this guidance as the one comprehensive policy/guidance for all staff members and managers to refer to when making and/or authorising a claim	Low April 19	Work with HR to review guidance. Mileage policy updated, awaiting Council approval.
Expenses and Allowances – January 19	Ensure designated managers who are on the authorised signatory list are authorising claims	Medium April 19	HR 21 is set up in a way that ensures only assigned managers approve claims. The only variation to this is if a manager uses the “manager absent” function. We will work to definitely express that appropriate managers (of equivalent or greater seniority) should be appointed in the absence of a manager. Within revised HR21 guidance. Included within revised policy.

Audit and date audit completed	Recommendation Outstanding	Priority and Original Target Date	Managers Comment
Expenses and Allowances – January 19	Ensure mileage and expense claims are in line with policy by reviewing the description/details	Medium April 19	A report will be written to review/spot check claims. There is an expectation that the claims are checked by managers but by completing the second check we should catch any anomalies. Re-iterated in policy. Checks being made.
Premises and Personal Licences – March 19	Increase monitoring to ensure the retention of evidence is adequate and complies with legislative requirements	Low September 19	Additional background reporting will be undertaken to ensure that evidence is retained to identify compliance with the legislation
Premises and Personal Licences – March 19	Update the Council’s websites to display current legislation information	Low September 19	Officers are reviewing the content on the Council’s websites with a view to improving the content, legislative information and access to make on-line applications
Premises and Personal Licences – March 19	Notifications to appropriate persons, determinations and issuing of licences should be in line with legislative timescales	Low September 19	The procedures used by officers to process applications will be updated to include a requirement to notify applicants of the outcome of their applications in accordance with the statutory requirements and action codes will be added to the Uniform database system for monitoring purposes
Procurement – June 19	Partially Re-stated: Tidy the information on the Work Programme and ensure the data is uniformed so that the new Contract Register’s ‘pulls	Medium July 19	Work has commenced and almost completed following agreed format with Audit. Now tidying up in readiness to publish on website for BDC & NEDDC July 2019

Audit and date audit completed	Recommendation Outstanding	Priority and Original Target Date	Managers Comment
	through' meaningful information ready to be published on the Council's websites quarterly		