

Report to Audit Committee

Agenda Item:

A.6

Meeting Date: 19 March 2018
Portfolio: Finance, Governance and Resources
Key Decision: No
Within Policy and Budget Framework YES
Public / Private Public

Title: INTERNAL AUDIT PROGRESS QUARTER 4 – 2017/18
Report of: CHIEF FINANCE OFFICER
Report Number: RD49/17

Purpose / Summary:

This report provides an overview of the work carried out by internal audit in the fourth quarter of 2017/18 (to date). The report also includes information on progress against the agreed audit plan, performance indicators and previous audit recommendations

Recommendations:

The Committee is requested to

- (i) note the progress against the audit plan for 2017/18; and
- (ii) receive the final audit reports as outlined in paragraph 2.2
- (iii) approve the carry forward of three audit assignments to the 2018/19 audit plan as outlined in paragraph 3.3 and Appendix 1.

Tracking

Audit Committee:	19 March 2018
Scrutiny Panel:	Not applicable
Council:	Not applicable

1. BACKGROUND INFORMATION

- 1.1 Management is responsible for establishing effective systems of governance, risk management and internal controls. It is the responsibility of management to establish appropriate arrangements to confirm that their systems are working effectively, that all information within them is accurate and that they are free from fraud or error.
- 1.2 Internal Audit's role is to provide independent assurance to senior management and Audit Committee over the adequacy and effectiveness of management's arrangements for governance, risk management and internal control.
- 1.3 This report summarises the work carried out by Internal Audit in the period from April 2017 to March 2018.

2. PROGRESS AGAINST AUDIT PLAN

- 2.1 Progress against the 2017/18 Audit plan is shown at **Appendix 1**.
- 2.2 There have been 3 audit reviews completed in the third quarter and 1 follow up completed. These are detailed below and reports are provided.

Review Area	Assurance Level
Flexitime and Toil	Reasonable
Arts Centre (Old Fire Station)	Partial
Housing Benefits and Council Tax Reduction	Substantial
IT General Controls (Follow Up of Grant Thornton Review)	N/A

- 2.3 Internal Audit resource was also utilised on the following during Q3:
- Internal Investigation – A further 9 days of audit time has been utilised on the internal investigation referred to at the previous committee meeting, which is now closed. The investigation related to an allegation regarding an undisclosed conflict of interests. The investigation upheld the allegation, which was also judged to have resulted in a loss of income for the Council. Disciplinary action has been taken by the authority. The decision was initially appealed, but the appeal was subsequently withdrawn.
 - Counter Fraud Training – Internal Audit delivered a short training session for Officers as part of the Council's Ethical Governance Programme.

3 PERFORMANCE INDICATORS

- 3.1 In order to provide an effective internal audit service, there needs to be an effective measure of the performance it achieves. The table below shows progress against the indicators agreed for 2017/18.

Indicator	Target	Actual (Q3)	Commentary
Planned Audits Completed	95% (Annual)	60% (To Date)	18/30 reviews finalised.
Audit Scopes Agreed	100%	100%	16 Scopes issued (all agreed)
Draft Reports issued by agreed deadline	80%	*	Indicator to be revised for 2018/19
Timely issue of Final Reports (within 8 days of management response)	80%	93%	14/15 reports issued within 8 days of response.
Recommendations agreed	95%	100%	All recommendations agreed.
Assignment completion within allocated resource	50%	55%	10/18 reviews within budget (Overall 244 audits days have been utilised against 230 planned days).
Quality Assurance checks completed	100%	100%	Audit Control Sheets completed for all finalised reviews.
Customer satisfaction survey feedback (scored as good)	80%	100%	3 returns received to date
Efficiency (Chargeable time)	80%	83%	

3.2 It is anticipated that 27 reviews will be completed (to draft report) by 31st March 2018 (90% of the Internal Audit Plan). This is a slight shortfall against the target of 95% due to more resource than planned (53 actual days against a planned 20) being required for counter-fraud work.

3.3 Three reviews are unlikely to be completed by the end of the year. Approval is requested that these assignments are carried forward into the 2018/19 Internal Audit Plan:

- Safeguarding (deferred due to change in management)
- Garage (deferred due to long term absence)
- Records Management Follow Up

4 AUDIT RECOMMENDATIONS

4.1 **Appendix 2** shows a summary position of outstanding audit recommendations and progress made against implementing these. Once the agreed implementation date has passed, internal audit will ask the responsible officer for an update of progress. The responses will then be reported to the next available Audit Committee meeting and, if implemented, will then be removed from the list so that only outstanding recommendations remain. Where the recommendations relate to a partial assurance audit, these will be subject to a formal follow up and will be reported back to Audit Committee separately. New recommendations will be added to the list once final reports are agreed.

- 4.2 Three formal follow-up reviews are currently in progress. Management responses have been received and are currently being tested to ensure audit recommendations have been fully implemented.

5 EXTERNAL QUALITY ASSESSMENT

- 5.1 In accordance with the Public Sector Internal Audit Standards the Internal Audit department is required to have a full external assessment of compliance with the Audit Standards. Assessments must be done at least once every five years by a qualified, independent assessor from outside the organisation.
- 5.2 Following a procurement exercise the City Council have appointed CIPFA to carry out a review in 2018.
- 5.3 A preliminary readiness review was carried out in January 2018. Informal feedback from the assessor was positive, indicating that the right documentation and processes are in place for the team. Some suggested improvements were made regarding the Internal Audit Charter which have subsequently been included for 2018/19. (see separate report RD50/17 considered elsewhere on the agenda)
- 5.4 A full assessment is scheduled for April 2018. Findings from the review will be reported to the Audit Committee in 2018/19.

6. CONSULTATION

- 6.1 not applicable

7. CONCLUSION AND REASONS FOR RECOMMENDATIONS

The Committee is asked to

- (i) note the progress against the audit plan for 2017/18; and
- (ii) receive the final audit reports as outlined in paragraph 2.2
- (iii) approve the carry forward of three audit assignments to the 2018/19 audit plan as outlined in paragraph 3.3 and Appendix 1

8. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

- 8.1 To support the Council in maintaining an effective framework regarding governance, risk management and internal control which underpins the delivery the Council's corporate priorities and helps to ensure efficient use of Council resources.

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Appendices attached to report:

- Appendix 1 – Progress against Audit Plan and Timeline of audits**
- Appendix 2 – Audit Reports issued in Quarter 1**
- Appendix 3 – Progress against previous Audit Recommendations**

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers:

- **None**

CORPORATE IMPLICATIONS/RISKS:

Community Services – not applicable

Economic Development – not applicable

Governance & Regulatory Services – In accordance with the terms of reference of the Audit Committee, Members must consider a summary of internal audit activity and summaries of specific internal audit reports. This report fulfils that requirement.

Corporate Support and Resources – Contained within the report

APPENDIX 1

CARLISLE CITY COUNCIL PROGRESS AGAINST REVISED AUDIT PLAN 2017/18

Service Area	Review Type	Audit Area	Allocated Days	Days Taken	Status	Audit Committee Date	Assurance Evaluation	Comments
Various	2016/17	Contribution to Shared Service c/f	52	52	Finalised	Jul 2017	Various	
Policy & Communications	Follow Up	Records Management	5	4	Finalised	Jul 2017	Partial	
Corporate	MFS	Internal Control Questionnaires - Non Audited Systems	0	0	Finalised	Sep 2017	N/A	2 hours in 17/18
Corporate	Corporate	Corporate Governance - Compliance with Local Code	20	15	Finalised	Sep 2017	N/A	
Financial Services	Directorate	Corporate Charge Card	20	16	Finalised	Sep 2017	Partial	
Democratic Services	Directorate	Gifts and Hospitality	7	7	Finalised	Sep 2017	Substantial	
Revenues and Benefits	Follow Up	Benefit Overpayments	5	2	Finalised	Sep 2017	Substantial	
Organisational Development	Follow Up	Workforce Development and Training	5	4	Finalised	Sep 2017	Substantial	
Revenues & Benefits	Directorate (16/17)	NNDR	20	21	Finalised	Sep 2017	Reasonable	
Counter Fraud	Fraud	National Fraud Initiative	10	14	Finalised	Sep 2017	N/A	
Environmental Health	Directorate	Public health & safety/enforcement	20	24	Finalised	Jan 2018	Reasonable	
Housing	Follow Up	Home Life	5	6	Finalised	Jan 2018	Substantial	
Business & Employment	Follow Up	Enterprise Centre	5	4	Finalised	Jan 2018	Substantial	
Development Control	Directorate	Section 106 agreements / CIL	20	20	Finalised	Jan 2018	Reasonable	

Service Area	Review Type	Audit Area	Allocated Days	Days Taken	Status	Audit Committee Date	Assurance Evaluation	Comments
Green Spaces	Directorate	Talkin Tarn & Boathouse Tea Room	20	27	Finalised	Jan 2018	Reasonable	
Service Support	Directorate	Flexitime and TOIL	20	22	Finalised	Mar 2018	Reasonable	
Arts, Culture and Sports	Directorate	Arts Centre	20	32	Finalised	Mar 2018	Partial	
Revenues and Benefits	MFS	Housing and Council Tax Benefits	20	17	Finalised	Mar 2018	Substantial	
DIS	Follow Up	IT General Controls	5	4	Finalised	Mar 2018	N/A	
Service Support	Directorate	Salary Sacrifice & Holiday Purchase Schemes	0	0	In progress	Jul 2018		Incorporated with payroll audit
Housing	Directorate	Supporting People (grant income, Hostels & Homeshares)	5	1	Scoped	Jul 2018		Reduced scope
Financial Services	MFS	Income Management & Cash Collection	20	6	In progress	Jul 2018		
Financial Services	MFS	Payroll	20	17	In progress	Jul 2018		
Financial Services	MFS	Debtors	20	9	In progress	Jul 2018		
Corporate	Corporate	Business Continuity Planning	20	0	Scoped	Jul 2018		
Policy & Communications	Follow Up	Performance Management	5	2	In progress	Jul 2018		
Building Control	Follow Up	Physical Security of Premises	5	0	In Progress	Jul 2018		
Property & Facilities Mgmt	Follow Up	Building Maintenance	5	0	In Progress	Jul 2018		
Garage Services	Directorate	Garage incl. Driver checks	20	2	C/F 18/19	TBC		Postponed (Staff absence)
Human Resources	Directorate	Safeguarding incl DBS	20	1	C/F 18/19	TBC		Postponed (staff change)

Service Area	Review Type	Audit Area	Allocated Days	Days Taken	Status	Audit Committee Date	Assurance Evaluation	Comments
Policy & Communications	Follow Up	Records Management	5	0	C/F 18/19	TBC		
		TOTAL	424	329				
		Follow Up (General)	5	4				
		Counter Fraud	20	53				
		Advice & Guidance	12	5				
		Audit Committee	20	13				
		Planning	20	34				
		OVERALL TOTAL	501	438*				

* Days taken as at 2nd March 2018 (excludes leave and training days)

N.B Audit Committee Dates are anticipated dates final reports will be presented to Audit Committee and may be subject to change depending upon completion of audit work

Appendix 2 - Follow up monitoring spreadsheet

Key

Recommendations reviewed by Internal Audit and evidenced as actioned (Closed)
Recommendation not appropriate for follow up e.g. relates to one off scheme (Closed)
Formal Audit follow up scheduled
Management Statement scheduled to request evidence of implementation
Recommendation not actioned - revised timescales for implementation agreed.
Recommendation reviewed and not confirmed as actioned (no response/revised timescales have passed).

Audit Review						Assurance Level
2015/16 - Building Maintenance						Partial
Recommendation	Priority	Agreed action	Responsible Manager	Date	Status	
Management should put in place adequate arrangements to ensure that statutory maintenance is undertaken as required at all properties and that they are assured that this is taking place. This should include: - Maintaining an up to date system to record all statutory maintenance requirements and whether these have been met; - Ensuring data in the system is supported by relevant inspection reports - Requiring regular reports from the system to be reviewed to provide assurance that the council properties remain compliant with statutory requirements	H	The database information used for recording and monitoring statutory maintenance certifications will be brought up to date. Resources will be allocated within the Property Services team restructure to ensure the database records are continually updated in the future as certifications arise. A system for monitoring the status and delivery of the statutory maintenance programme will be introduced and reports prepared on a monthly basis by the Property Technical Assistant. These will be checked by the Building and Facilities Manager to ensure properties are compliant, the system is up to date, and the supporting evidence is in place.	Building and Estates Services Manager	31/12/2016	Formal follow up in progress (to be reported at July 2018 Audit Committee)	
Management should ensure that appropriate arrangements are established to plan, record and monitor property condition surveys.	H	A fresh programme for undertaking condition surveys will be established for the occupational property portfolio. Reports on condition will be procured utilising the services of an external Building Surveyor. Service delivery, monitoring and recording of the condition surveys will be undertaken annually; the results will be reported upon and used to update the Asset Management Plan and inform future planned building maintenance.	Building and Estates Services Manager	31/12/2017	Formal follow up in progress (to be reported at July 2018 Audit Committee)	
Management should document how Council Surveyors should carry out a condition survey, what should be inspected, how it should be recorded and what should be reported.	M	Guidance on the preparation, inspection, protocol and methodology for undertaking condition surveys, and reporting the results/outcomes with appropriate documentation, will be put in place in accordance with RICS industry standard practice	Building and Estates Services Manager	31/12/2017	Formal follow up in progress (to be reported at July 2018 Audit Committee)	
Management should put in place adequate arrangements to be assured that statutory maintenance requirements are met in council buildings that are leased to third parties and that information on this is obtained in a timescale that will allow all certification to be brought up to date prior to handover.	M	Estate Management Practices will be put in place in order to monitor Lessee compliance with statutory maintenance and the provision of supporting certification / documentation. This will be checked annually, to make sure it's up to date, and at the end of the Lease term.	Building and Estates Services Manager	31/07/2017	Formal follow up in progress (to be reported at July 2018 Audit Committee)	

Audit Review						Assurance Level
2016/17 Car Parking Income						Reasonable
Recommendation	Priority	Agreed action	Responsible Manager	Date	Status	
a) Objectives set out in the Car parking and city centre service plan would benefit from being constructed in a specific, meaningful, achievable, relevant and time bound (SMART) manner; b) Performance against the objectives in the service plan should be subject to regular review by management, using appropriate key performance indicators. c) The SWOT analysis should be carried out to inform the future car parking strategy.	M	The Council has introduced a new service plan template which includes the requirement to undertake a SWOT analysis and develop key performance indicators that are SMART (specific, measurable, achievable, realistic and time limited). The Car parking and city centre service plan will be completed using this template and progress against the plan will be reviewed at monthly team meetings.	Contracts and Community Services Manager	30/06/2017	Evidence provided that recommendation implemented.	
Operational risks should be considered and recorded on project server in line with the Council's Risk Management Policy.	M	Operational risks relating to Car Parking have now been added to the Contracts and Community Services departmental risk register.	Contracts and Community Services Manager	Immediate	Evidence provided that recommendation implemented.	
Staff procedures should be documented and regularly reviewed by management and for CEO's should include interpretation of surveillance legislation.	M	Procedures for the Car Parking team will be documented and then reviewed every two years. Arrangements for compliance with surveillance legislation will be reviewed and included in documented procedures.	Contracts and Community Services Manager & City Centre and Car Parking Manager	30/11/2017	Evidence provided that recommendation in progress (3 procedure notes completed, with remainder scheduled 2018/19)	

Audit Review						Assurance Level
2016/17 Homeworking Follow Up						Reasonable
Recommendation	Priority	Agreed action	Responsible Manager	Implementation date	Status	
Documentation relating to employment and changes in working arrangements, i.e: homeworking agreements, should be held with related information on employees' personnel files.	M	Accepted (Director Comments)	Chief Finance Officer	None stated	Closed - review of controls in place indicate no further action required.	
An inventory of council assets held by homeworkers should be maintained by Managers in accordance with the homeworking agreement.	M	Accepted (Director Comments)	Chief Finance Officer	None stated	Closed - review of controls in place indicate no further action required.	

Audit Review							Assurance Level
2016/17 Mobile Device Security							Partial
Recommendation	Priority	Agreed action	Responsible Manager	Date	Status		
Senior management should ensure that governance arrangements around information security, including the security of mobile devices are clearly defined and embedded. Consideration should be given to the points raised above.	H	Responsibility for Information Security has now been subsumed into the Business Management & Development Sub-Group which, in addition to scrutinising and challenging proposed policies, will keep proper records of its deliberations. Secondly, the Council is in the process of establishing an Information Officer post (as required from 2018 by the European General Data Protection Regulations 2016) and such post will have responsibility for ensuring that we not only have relevant policies for Information Management and Security but also for embedding good practice within the organisation.	Corporate Director of Governance & Regulatory Services	01/12/2017	Full review to be performed 18/19 (inc. follow up of o/s recs)		
a) Arrangements should be put in place to launch the new information security policies with appropriate training provision. b) Arrangements should be in place to give management assurance that all relevant staff have completed required mandatory training.	H	Please see management action statement for 5.1.1 re the Information Officer post. Training will be designed and delivered once the relevant policies are established.	Town Clerk & Chief Executive	01/04/2018	Full review to be performed 18/19 (inc. follow up of o/s recs)		
Senior management should clarify their intentions around mobile device usage going forwards and ensure appropriate IT support; security and training arrangements are in place.	H	The introduction of Microsoft's Office 365 and Enterprise Mobility and Security technologies will improve the security of information held on mobile devices. Along with the implementation of these technologies a new framework will be implemented at the same time. Use of Office 365 across a host of devices, coupled with meeting the demand for more flexible working will define intentions around mobile device use in the future.	ICT Services Manager	01/04/2018	Full review to be performed 18/19 (inc. follow up of o/s recs)		

Audit Review						Assurance Level	
2016/17 - Performance Management						Partial	
Recommendation	Priority	Agreed action	Responsible Manager	Date	Status		
a) Corporate arrangements for assessing and monitoring the progress of delivering the Carlisle Plan 2015-18 priorities including the arrangements for having actions/projects that are SMART and performance measures/targets/indicators etc. should be clearly defined and documented. A timescale should be set for documenting and implementing these arrangements. The Service Standards should be reviewed, updated and aligned to measure the success of delivering service plan objectives.	H	SMART actions have been set within 27 service plans submitted in May and June. These service plans cover all the key actions in the Carlisle Plan. Service planning will continue to be developed over the autumn to link the service plans to the 2018/19 budget setting process. A timescale will be set for documenting and implementing these arrangements in early August. A more detailed template for reporting progress on the Carlisle Plan key actions has been developed to ensure complete coverage of all the actions. The 27 service plans include actions to develop new service standards. As these are developed this year (2017/18), working with the relevant Overview & Scrutiny Panel, the overall number of service standards will be reviewed. Through this work Service Standards will measure the success of delivering services and specific service plan objectives.	Policy and Communications Manager	04/08/2017 27/10/17	Formal follow up in progress (to be reported at July 2018 Audit Committee)		
Management should ensure that the performance management arrangements re the Carlisle Plan are effectively implemented and that these are incorporated into the Performance Management Framework.	M	A new performance framework was agreed by SMT in April (11/4/17). This framework links the Carlisle Plan to Service Plans and the Appraisal Scheme. DMT meetings will be set to include performance management linked to the performance reporting cycle. The Performance Framework will be reviewed at the end of the year alongside the End Of Year Report. In addition new arrangements are being made for the development of a new system of monitoring and taking action on performance using Microsoft Power BI as a tool for collecting and analysing appropriate data.	Policy & Communications Manager	24/04/2018	Formal follow up in progress (to be reported at July 2018 Audit Committee)		
a) Management should evidence their review of risks and risks registers in accordance with the risk management policy. b) Corporate Directors should be reminded of their responsibilities for being assured that risks relating to strategic and operational performance management objectives are appropriately identified, assessed and managed.	M	SMT have continued to review the Corporate Risk Register on a regular cycle during this period and have more recently (6th June) reviewed the policy and management arrangements for elevating and managing emerging risks relating to all risks including performance management. Corporate Directors are aware of their responsibilities regarding performance management objectives and any risks arising.	Deputy Chief Executive / Senior Management Team	Completed	Formal follow up in progress (to be reported at July 2018 Audit Committee)		

Audit Review						Assurance Level
2016/17 - Performance Management						Partial
Recommendation	Priority	Agreed action	Responsible Manager	Date	Status	
a) Corporate Directors should be reminded of their responsibilities for being assured that the roles and responsibilities from Executive to staff are clearly defined in the performance management framework. b) Corporate Directors should be reminded of their responsibilities for being assured that performance appraisals are undertaken to ensure that managers and staff carry out their roles and responsibilities relating to performance management effectively.	M	Completed via SMT.	D Crossley	Completed	Formal follow up in progress (to be reported at July 2018 Audit Committee)	
Management should review the performance monitoring reports to ensure that the content includes all areas of performance that impact on the monitoring and decision making on Carlisle Plan priorities in particular including those projects where no updates were available.	M	A more detailed template for reporting progress on the Carlisle Plan key actions has been developed to ensure complete coverage of all the actions. This template was implemented for the 2016/17 End Of Year Report and will be developed further to include the action for recommendation 1a.	Policy & Communications Manager	04/08/2017	Formal follow up in progress (to be reported at July 2018 Audit Committee)	
a) A timescale should be set for the implementation of the new performance management framework. b) Management should communicate and provide training on the new performance management framework to all those involved in performance management to ensure that they are aware of and understand their roles and responsibilities.	H	A new performance framework was agreed by SMT in April (11/4/17). This framework links the Carlisle Plan to Service Plans and the Appraisal Scheme. DMT meetings will be set to include performance management linked to the performance reporting cycle. The framework has been communicated with service managers through Management Briefing (May 2017). Service managers have received a new template for service planning and guidance on appraisals. A single site for performance management is being developed on the intranet and further developments have been requested through ICT. DMT meetings will be set to include performance management linked to the performance reporting cycle. This will ensure that all those involved in performance management are aware of and understand their roles and responsibilities.	Policy & Communications Manager	a) Complete b) 04/08/17	Formal follow up in progress (to be reported at July 2018 Audit Committee)	
The corporate guidance and template for service planning should be updated and the format agreed by SMT	M	Service planning has been introduced and completed. The approach has unique plans for service areas with detail around key areas. The service plans captures and reflects the work priorities and objectives of each service within the directorate and how these link to the Carlisle Plan.	Policy and Communications Manager	Completed	Formal follow up in progress (to be reported at July 2018 Audit Committee)	
Directorates' performance should be a regular item at DMT meetings and discussions and actions arising from these should be recorded.	M	DMT meetings will be set to include performance management linked to the performance reporting cycle.	Policy & Communications Manager / PA Support Manager	04/08/2017	Formal follow up in progress (to be reported at July 2018 Audit Committee)	
a) The Policy & Performance Team should perform regular data quality checks on performance reports to provide regular assurance that the performance data is accurate and reliable for decision making. b) A timescale should be set of the finalisation and implementation of the revised data quality checks.	M	All historic data used in performance reporting will be assessed annually to calculate variance to determine what is considered 'normal' data. Throughout the year the data will be quality checked for erroneous records e.g. missing or duplicate data or for data that falls outside of the 'normal' range.	Policy & Communications Manager	04/08/2017	Formal follow up in progress (to be reported at July 2018 Audit Committee)	

Audit Review						Assurance Level
2016/17 - Physical Security of Premises						Partial
Recommendation	Priority	Agreed action	Responsible Manager	Date	Status	
a) Management should identify, clearly define and communicate to staff the aims and objectives for the physical security of premises. b) Corporate arrangements should be introduced to monitor the delivery of these objectives and regularly report progress on these to senior management. c) Arrangements should be introduced to monitor and report the progress on delivering the Building Services Action Plan.	H	The one objective in relation to the physical security of the Council's premises is to make the premises secure. Financial Procedure Rule (FPR) 4 states clearly that 'all Members and staff have a general responsibility for taking reasonable action to provide for the security of the assets under their control.' In furtherance of this recommendation, however, we have now ensured that the topic is recorded in the Building Services Action Plan and Service Plan for 2017/18. The Manager is responsible for monitoring the achievement of tasks in the action plan and these will be reported through the Directorate Management Team. FPR3.13 provides that Directors should ensure...that assets...are...securely held. To implement this requirement the Council employ an officer(s) with responsibility for security and this requirement is stated in Buildings and Estate Services Manager and Keepers' job descriptions. Section C of the FPRs clearly explains why security of assets is important and are safeguarded and C58 specifies the key controls. C65/69 restates that Directors are responsible for assets under their control – officers are employed to fulfil this responsibility.	Building & Estates Services Manager	Implemented	Formal follow up in progress (to be reported at July 2018 Audit Committee)	
a) A record should be retained of discussions relating to consideration of risks for inclusion in the Directorate's risk register. b) A timescale should be set for the Building and Estates Services Manager to attend the Risk Management training.	M	If a risk is identified then it is recorded on the Directorate or Corporate Risk Register. Anything deemed a risk, even low likelihood and low impact, should be recorded in this system. However, it is not practical nor a good use of resources to record all discussions which lead to the conclusion that a matter is not a risk.. This would not add any value to our operations. The Council runs annual risk management training which is available to all staff. It is not mandatory and the Building and Estate Services Manager has only been in post since August 2016, however, she will attend the next risk management training session. By virtue of the fact the course is not classed as mandatory then it is appropriate to include this as a recommendation above advisory status as attendance on risk management training is highly unlikely to affect the security of our premises. However, we accept the positive benefit of the BESM attending the said training.	Corporate Director of Governance & Regulatory Services	Implemented	Formal follow up in progress (to be reported at July 2018 Audit Committee)	
Guidance on the procedure to report physical security incidents/breaches should be clearly defined, documented and communicated. This guidance should inform and assist staff in identifying such incidents and clearly define how such matters are to be reported and investigated.	M	We will document the agreed process which currently exists: i.e. if there is a problem, staff advise their manager. In accordance with best practice we are also developing premises specific handbooks to be in place at each premises.	Building & Estates Services Manager	31/07/2017	Formal follow up in progress (to be reported at July 2018 Audit Committee)	

Audit Review						Assurance Level	
2016/17 - Physical Security of Premises						Partial	
Recommendation	Priority	Agreed action	Responsible Manager	Date	Status		
a) Corporate and departmental guidance should be formally documented to direct and inform staff of the Council's physical security arrangements over its premises. This guidance may consist of premises handbooks for each of the operational buildings in the Council's portfolio that detail how security arrangements are implemented including building assessments. b) Once this new guidance is in place a timescale should be set for new staff to be trained on the Council's building security arrangements.	H	When staff commence work at their respective places of work they receive instruction as to how to enter and leave the premises, for example, staff at the Civic Centre are allocated a fob and shown how to access the building and their individual place of work. Staff also know that the public are not allowed to enter the building outside of prescribed hours. This is a clear system which has worked faultlessly, however, we will document it as requested. Training on building security will be provided for all new staff together with updates and refresher training whenever appropriate.	Building and Estates Services Manager	30/08/2017	Formal follow up in progress (to be reported at July 2018 Audit Committee)		
a) A record should be retained of the Keepers' security checks on the Civic Centre premises and their results. Management should be assured that these checks are undertaken and where security issues are identified these should be escalated and investigated. b) The Building and Estates Services Manager should obtain assurance that physical security checks are performed across all Councils' premises and there is evidence to support that these are undertaken and reported	M	a) Noting that there has not been one breach of security other than in exceptional circumstances, we will create an administrative system to deliver this recommendation. The keepers will continue to complete the established log referred to in 5.2.2 but will also now carry out the additional task of filling in a further record sheet confirming that opening and checking the building each morning, locking front and centre side doors etc. checks have been carried out. The BESM will also establish a further administrative system so that periodically she reviews the two logs. b) The BESM will cover this area within the proposed building handbooks for individual premises.	Building and Estates Services Manager	26/08/2017	Formal follow up in progress (to be reported at July 2018 Audit Committee)		

Audit Review						Assurance Level
2017/18 - Record Management Follow Up (H1706)						Partial
Recommendation	Priority	Agreed action	Responsible Manager	Date	Status	
The Corporate Records Management Policy should be updated. Once updated the policy should be formally approved by the Senior Management Team.	M	The Corporate Records Management Policy will be updated and formally approved by the Senior Management Team	Policy & Communications Manager	04/07/2017	Formal follow up to be performed Q1 2018/19	
The Retention Schedule 2016 be placed on the Intranet alongside the Corporate Records Management Policy, to ensure that all staff can access this information. Both the Records Management Policy & Retention Schedule 2016 should detail the date when they are due to be reviewed and who is responsible for this review.	M	The policy and 2016 schedules will be updated with a review date and responsible reviewer. The schedules will be moved to the intranet site from Project Server. This change will be shared with Management Briefing in August and be followed up with a round of DMTs.	Policy & Communications Manager	12/7/17 Moving schedules; 4/8/17 Management Briefing; next available round of DMTs after Management Briefing	Formal follow up to be performed Q1 2018/19	
The records management framework should be completed and rolled out to managers and staff as per the Corporate Records Management Policy.	M	An overarching Information Governance Policy will be developed. This policy will be rolled out to managers with guidance.	Policy & Communications Manager	January-March 2018	Formal follow up to be performed Q1 2018/19	
Management should discuss and agree what information needs to be included within the Constitution with relation to records management and retention of records, once agreed the necessary amendments including relevant links should be agreed and made	M	Appendix F of the Financial Procedure Rules contain "guidelines" on how long documents should be held and these relate, predominantly, to important information from Financial Services' perspective. The view of the s151 Officer predominates here and the periods stipulated are still current. It is open to the Council, through its retention policy, to have other periods for different types of records. Ideally, they should dovetail and a review will be carried out to ensure that this happens. In short, it may not be appropriate to change the periods stated in the FPRs; if it is, they will.	Corporate Director of Governance & Regulatory Services	30/09/2017	Formal follow up to be performed Q1 2018/19	
Arrangements should be implemented to give management assurance that service managers are maintaining a Retention Schedule and Disposal Log.	M	Arrangements will be implemented to give management assurance that service managers are maintaining a Retention Schedule and Disposal Log. This will be followed up with a round of DMTs and individual meetings with service managers.	Policy & Communications Manager	30/09/2017	Formal follow up to be performed Q1 2018/19	
Senior management should review and delegate responsibility for records management to an appropriately trained member of staff who should be referred to (by post) within the Records Management Policy and within the associated job description.	M	Responsibility for Information Management has now been subsumed into the Business Management & Development Sub-Group of SMT under the Corporate Director of Governance & Regulatory Services. In addition, and as part of the compliance plan for the EUGDPR (the new Data Protection Regs), the Council will be appointing an Information Officer who will be responsible for creating and developing an appropriate suite of policies and documentation and also ensuring that they are embedded within our organisation.	Corporate Director of Governance & Regulatory Services	31/05/2018	Formal follow up to be performed Q1 2018/19	

Audit Review						Assurance Level
2017/18 - Corporate Charge Card (B1701)						Partial
Recommendation	Priority	Agreed action	Responsible Manager	Date	Status	
The Purchasing Card Procedures need to be brought up to date. Once updated all cardholders should receive a copy of the revised procedures and any future updates to legislation, processes etc. The procedures should also refer to the requirement for internet purchases to be made via secured websites only.	M	Procedures will be reviewed and brought up to date with additional details on appropriate use and completion of transaction logs.	Deputy Chief Finance Officer	31/08/2017	Formal follow up to be performed Q1 2018/19	
Management should ensure that cardholders never provide their card to other staff to use. A process should be implemented and documented within the procedures to cover requests by other staff for the card holder to make purchases on their behalf.	H	Reminders will be given to all cardholders about their responsibilities in using corporate purchasing cards. These will also be included in the revised procedures	Deputy Chief Finance Officer	31/08/2017	Formal follow up to be performed Q1 2018/19	
The cardholder should complete the transaction log every time the card is used to make a purchase.	M	Reminders will be given to all cardholders about their responsibilities in using corporate purchasing cards. These will also be included in the revised procedures	Deputy Chief Finance Officer	31/08/2017	Formal follow up to be performed Q1 2018/19	
Arrangements should be implemented to ensure that cardholders only use secure websites when making internet purchases.	M	Reminders will be given to all cardholders about their responsibilities in using corporate purchasing cards. These will also be included in the revised procedures	Deputy Chief Finance Officer	31/08/2017	Formal follow up to be performed Q1 2018/19	
A reminder should be sent to all cardholders and line managers to ensure: -Suitable documentation such as itemised receipts, including VAT where applicable and reason for spend should be attached to the monthly transaction logs; -Travel and subsistence is appropriately claimed. - Management are responsible for checking this when approving the transaction log	M	Reminders will be given to all cardholders about their responsibilities in using corporate purchasing cards. These will also be included in the revised procedures	Deputy Chief Finance Officer	30/08/2017	Formal follow up to be performed Q1 2018/19	
Audit Review						Assurance Level
2017/18 - National Non Domestic Rates (H1706)						Partial
Recommendation	Priority	Agreed action	Responsible Manager	Date	Status	
Responsibility for areas of NNDR should be formally delegated to the appropriate officer.	M	Revenues and Benefits operations Manager will raise at his next 1 to 1 and will ensure that the delegation is completed.	Revenues and Benefits Manager	6 Months	Management statement to be issued Q1 2018/19	
Appraisal process should be followed and should be completed timely. A decision need to be made on which officer is responsible for undertaking the wider team appraisal and ensuring that staff training needs are identified.	M	The new cycle of appraisals is about to commence and a decision will be made and actioned by year end.	Revenues and Benefits Manager	Mar-18	Management statement to be issued Q1 2018/19	
Management need to put into place a document retention policy for the NNDR section and to ensure that timely disposal of documents is complied with for all records, electronic and paper.	M	The document retention policy will be in place for NNDR by the end of the financial year. Testing on the two electronic systems, Academy and Civica, and the reliability of disposal to be commenced early 2018/19.	Revenues and Benefits Manager	Mar-18	Management statement to be issued Q1 2018/19	

Audit Review						Assurance Level
2017/18 - S106 Agreements (C1701)						Reasonable
Recommendation	Priority	Agreed action	Responsible Manager	Date	Status	
Following consultation with all relevant parties, procedure notes detailing the processes taken to monitor and deliver S106 agreements should be prepared. Communication processes should be included	M	To establish a procedure and communication protocol for the monitoring and delivery of S106 agreements, building on the work drafted by the Policy and Performance.	Investment & Policy Manager	01-Apr-18	Management statement to be issued Q2 2018/19	
Consideration should be given to including risks relating to S106 agreements as part of the authority's quarterly monitoring of operation risk	M	Comprise a risk register for S106 agreements which can be fed into the service areas quarterly monitoring of risks to enable appropriate action to be taken. Process to form part of the procedure and communication protocol	Investment & Policy Manager	01-Apr-18	Management statement to be issued Q2 2018/19	
Meetings to discuss progress of S106 agreements should be held on a more regular basis.	M	Pre-programme S106 discussion meetings at predetermined intervals to be established as a sub group of the Economic Growth Board	Investment & Policy Manager	01-Apr-18	Management statement to be issued Q2 2018/19	
A list of agreed actions arising from the meetings should be devised and maintained. The list should be designed to ensure all outstanding obligations are assigned to an officer, with a timescale for completing the various steps required. Progress against actions should be monitored on a regular basis	M	Minutes and actions to be recorded at the S106 meetings and circulated.	Investment & Policy Manager	01-Apr-18	Management statement to be issued Q2 2018/19	
Delivery of obligations should be reported to Senior Management on a regular basis	M	As it is envisaged that Action 3 will be a subgroup of the Economic Growth Board minutes and actions will be reported to that board which is chaired by the Corporate Director of Economic Development.	Investment & Policy Manager	01-Apr-18	Management statement to be issued Q2 2018/19	
Audit Review						Assurance Level
2017/18 - Talkin Tarn (D1701)						Reasonable
Recommendation	Priority	Agreed action	Responsible Manager	Date	Status	
Documentation should be produced to support the monitoring of the Service Plans.	M	Keep notes of monitoring meetings.	Site Management Team Leader	Ongoing from publication of report	Management statement to be issued Q2 2018/19	
The operational risk register should be reviewed and consideration given specific risks at Talkin Tarn.	M	Specific TT risks identified and added to the operational risk register	Site Management Team Leader / Neighbourhood and Greenspaces Manager	01-Feb-18	Management statement to be issued Q2 2018/19	

Audit Review						Assurance Level
2017/18 - Talkin Tarn (D1701)						Reasonable
Recommendation	Priority	Agreed action	Responsible Manager	Date	Status	
The processes in relation to the CCTV system at Talkin Tarn should be improved and documented. In addition a general review of all the procedures should be undertaken and updated to reflect the current working practices.	M	Review of CCTV operation at Talkin Tarn. Procedures updated.	Site Management Team Leader / Green Spaces Operations Manager,	01-Mar-18	Management statement to be issued Q2 2018/19	
The health and Safety folder should be reviewed regularly and updated as necessary.	M	H&S folder reviewed and updated	Site Management Team Leader / Health and Safety Manager	01-Mar-18	Management statement to be issued Q2 2018/19	
All documentation holding personal information should be kept in a locked cupboard.	M	Move booking records etc. to a locked cupboard or cabinet.	Talkin Tarn Team Room & Gift shop Manager	01-Jan-18	Management statement to be issued Q2 2018/19	
Roles and responsibilities should be documented for casual staff.	M	Roles and responsibilities identified for casual staff; consideration of temporary contracts.	Site Management Team Leader / Talkin Tarn Team Room & Gift shop Manager / HR Advisor	Commencing Feb 18	Management statement to be issued Q2 2018/19	
Audit Review						Assurance Level
2017/18 - Public Health (E1702)						Reasonable
Recommendation	Priority	Agreed action	Responsible Manager	Date	Status	
Quarterly management checks should be introduced to ensure the effectiveness and accuracy of information on Flare. These checks should be recorded on the system. As part of the checks management should also ensure that: -Officers record all relevant information on Flare, including premises visits, notes for all relevant action taken, results of specific tests, for example water sample results. -Correct codes are used on Flare. -An EMM form is completed as required.	M	AGA code introduced for Auditing Management checks. Principal Health and Housing Officer (PHHO) responsible for checks. Regulatory Services Manager to monthly report AGA codes for Principal to monitor checks are completed.	Regulatory Services Manager and Principal Health and Housing Officer	15th November 2017	Management statement to be issued Q2 2018/19	
		Inform/brief officers of the need to record correct H&S action codes	PHHO	12th December 2017 (Team meeting)		
		Review Flare reports to ensure 'check data' included for quarterly management checks – enable PHHO to target Flare records for audit checks (AGA code)	PHHO	31st December 2017		
		EMM code to be added to Flare accident record (action diary template) – officers to be informed/briefed on requirement to attach EMM	PHHO	12th December 2017 (Team meeting)		

Audit Review						Assurance Level
2017/18 - Public Health (E1702)						Reasonable
Recommendation	Priority	Agreed action	Responsible Manager	Date	Status	
Management should enquire if it is possible to have a prompt within Flare to remind officers to check the Primary Authority Register to see if the business has a primary authority. This process should be documented within the relevant procedure.	M	Primary Authority Flare action diary code to be added to appropriate enforcement record templates, including accidents. This will act as a prompt to check. Amend incident recording procedure.	PHHO	31st December 2017	Management statement to be issued Q2 2018/19	
The procedure / guidance for completing the annual return should be brought up to date to enable other officers to accurately complete the return if required.	M	LAE1 return procedure to be developed. Staff trained/briefed on the procedure.	PHHO	31st January 2017	Management statement to be issued Q2 2018/19	
A matrix should be introduced to record the reason why a decision has been made not to go ahead with court proceedings. Details of this should also be recorded on Flare. This process should also be included in the accident and reporting procedure and the Enforcement Policy.	M	Enforcement decision matrix to be added to the Health & safety Enforcement Policy	PHHO	01/02/2018	Management statement to be issued Q2 2018/20	
Management should review how sensitive information is electronically stored and restrict access where needed.	M	Only Groups responsible for Enforcement can access Environmental Health Flare. Other servers can not be further restricted. All Groups with access understand need for confidentiality. We have considered further restrictions but concluded that the disruption to good working practices will outweigh any benefit. Clean Neighbourhoods work closely with Regulatory Services on matters such as noise and fly tipping, it would not be helpful to restrict access.	Regulatory Services Manager	Review Completed	Management statement to be issued Q2 2018/19	
		Flare audits track officer modifications made to databases – the new version of Flare, which should be operational by April 2018, may also allow audits of documents being opened / viewed.				
		A full review of the digital storage within Regulatory Services is being undertaken and any sensitive data stored incorrectly will be moved to the N drive and coded appropriately.				