

Eastern Internal Audit Services



NORTH NORFOLK DISTRICT COUNCIL

Follow Up Report on Internal Audit Recommendations

Period Covered: 30 November 2021 to 25 February 2022

Responsible Officer: Faye Haywood – Head of Internal Audit for North Norfolk DC

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1. INTRODUCTION

- 1.1 This report is being issued to assist the Authority in discharging its responsibilities in relation to the internal audit activity.
- 1.2 The Public Sector Internal Audit Standards also require the Chief Audit Executive to establish a process to monitor and follow up management actions to ensure that they have been effectively implemented or that senior management have accepted the risk of not taking action. The frequency of reporting and the specific content are for the Authority to determine.
- 1.3 To comply with the above this report includes:
 - 1. The status of agreed actions.

2. STATUS OF AGREED ACTIONS

- 2.1 As a result of audit recommendations, management agree action to ensure implementation within a specific timeframe and by a responsible officer. The management action subsequently taken is monitored by the Internal Audit Contractor on a regular basis and reported through to this Committee. Verification work is also undertaken for those recommendations that are reported as closed.
- 2.2 **Appendix 1** to this report shows the details of the progress made to date in relation to the implementation of the agreed recommendations. This appendix also reflects the year in which the audit was undertaken and identifies between outstanding recommendations that have previously been reported to this Committee and then those which have become outstanding this time round.
- 2.3 A total of 40 recommendations were raised during 2018/19. A total of 38 have been completed. Two recommendations are outstanding (one important, one needs attention). The important recommendation can be seen at **Appendix 2** to the report.

Number raised to date	40	
Complete	38	95%
Outstanding	2	5%

- 2.4 A total of 56 recommendations were agreed in 2019/20. A total of 39 have now been completed. A total of 17 recommendations, eight important and nine needs attention recommendations are outstanding. Outstanding important recommendations can be seen at **Appendix 3** to the report.

Number raised to date	56	
Complete	39	70%
Outstanding	17	30%

2.5 A total of 33 recommendations were raised in 2020/21. A total of 28 have been completed. A total of five recommendations are outstanding, four important and one needs attention. The details of the important outstanding recommendations can be seen at **Appendix 4** to the report.

Number raised to date	33	
Complete	28	85%
Outstanding	5	15%

2.6 A total of 36 recommendations have so far been raised in 2021/22. A total of four have now been completed, one important recommendation is outstanding and 31 are within deadline. The details of the important outstanding recommendation can be seen at **Appendix 5** to the report.

Number raised to date	36	
Complete	4	11%
Outstanding	1	3%
Within Deadline	31	86%

APPENDIX 1 – STATUS OF AGREED INTERNAL AUDIT RECOMMENDATIONS

			Completed bt 30 November 2021 and 25 February 2022			Previously reported to Committee as outstanding			(New) Outstanding			Total Outstanding	Not Yet Due for implementation		
			Priority 1	Priority 2	Priority 3	Priority 1	Priority 2	Priority 3	Priority 1	Priority 2	Priority 3		Priority 1	Priority 2	Priority 3
Audit Ref	Audit Area	Assurance Level													
2017/18 Internal Audit Reviews															
NN1803	Land Charges	Reasonable		1								0			
2018/19 Internal Audit Reviews															
NN1906	Accounts Payable	Reasonable			1							0			
NN1914	Environmental Health	Reasonable					1	1				2			
2019/20 Internal Audit Reviews															
NN2004	S106 Agreements	Reasonable					4					4			
NN2005	Accountancy Services	Substantial						1				1			
NN2006	Accounts Receivable	Reasonable						2				2			
NN2009	Planning and Development	Reasonable					2					2			
NN2015	Business Continuity and Disaster Recovery	Reasonable						2				2			
NN2011	Key Controls and Assurance	Substantial						1				1			
NN2001	Project Management Framework	Position Statement		5								0			
NN2017	GIS Application	Reasonable					2	3				5			
2020/21 Internal Audit Reviews															
NN2106	Payroll and Human Resources	Substantial			1							1			
NN2112	Cromer Tennis Hub	No Assurance	6	4								0			
NN2111	Remote Access	Reasonable		3	1		2	1				3			
NN2107	Procurement Contract Management	Position Statement		1			2					2			
2021/22 Internal Audit Reviews															
NN2203	Performance Management, Corporate Policy and Business Planning	Reasonable			1							0			1
NN2205	Project Management Framework	Reasonable										0		4	7
NN2201	Annual Governance Statement	Reasonable			1							0		1	2
NN2209	Covid-19 Business Grants	Reasonable										0		4	
NN2210	Customer Services	Substantial										0			3
NN2207	Accounts Receivable	Substantial										0			2
NN2214	Environmental Health	Reasonable										0		3	2
NN2208	Income	Reasonable								1		1		1	1
TOTALS			6	14	5	0	13	11	0	1	0	25	0	13	18

APPENDIX 2 OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS – 2018/19 AUDIT REVIEWS

Job	Recommendation	Priority	Management Comments	Responsible Officer	Due Date	Revised Due Date	Number of times revised	Status	Latest Response
NN1914 Environmental Health	Recommendation 2: An updated version of the licence register is published on the Council's website, using the method used prior to Assure implementation if necessary.	2	Agreed	Environmental Protection Manager	30/05/2019	31/03/2022	6	Outstanding	This is currently being worked on, and it is expected that an updated version of the license register will be published on the Council's website by the end of March 2022.

APPENDIX 3 OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS – 2019/20 AUDIT REVIEWS

Job	Recommendation	Priority	Management Comments	Responsible Officer	Due Date	Revised Due Date	Number of times revised	Status	Latest Response
NN2004 - Section 106 Agreements	Recommendation 1: Individual obligations and triggers from S106 agreements are recorded and monitored on a systematic basis, by a designated officer.	2	Agreed, but requires a single officer to be designated for monitoring of S106.	AD Planning	30/04/2020	30/06/2022	3	Outstanding	Awaiting budget decision on S106 Monitoring Officer role due February 2022. Recruit officer upon confirmation, delivery bespoke S106 software programme (Exacom) June 2022.
NN2004 - Section 106 Agreements	Recommendation 2: Deadlines for spending financial contributions be recorded with each sum received. Deadlines to be routinely monitored and decisions made in respect of the use of monies at agreed intervals prior to deadlines approaching, including the two cases found where the deadlines had passed.	2	Agreed.	AD Planning	30/04/2020	30/06/2022	4	Outstanding	Awaiting outcomes of February Budget bid S106 Monitoring Officer Post. S106 Monitoring Software project Exacom progressed to contract exchange, project plan. Delivery due no later than 30 June 2022.

Job	Recommendation	Priority	Management Comments	Responsible Officer	Due Date	Revised Due Date	Number of times revised	Status	Latest Response
NN2004 - Section 106 Agreements	Recommendation 4: Parish and town councils are regularly informed of money from S106 agreements that is available for them to spend and be required to submit expenditure commitments within given deadlines, giving explanations for monies held for extended periods with no commitments, through a quarterly statement of existing and new receipts that is updated and returned to the Councils designated officer.	2	Agreed. Short term – pre 30/04/2020 lead by quarterly meeting with group accountant. Mid / longer term Post 30/04/2020 software is publically viewable and monitoring officer will be tasked with contacting PC/ TC.	AD Planning	31/01/2020	30/06/2022	4	Outstanding	Awaiting outcome February 2022 budget bid S106 Monitoring Officer post. Exacom software due for Go Live no later June 2022. Currently Town & Parish Council funding details available on request post Exacom& s106 Monitoring officer available funding visible via web pages.
NN2004 - Section 106 Agreements	Recommendation 5: The process for approving the expenditure of S106 funds and ensuring that it is in accordance with the agreement be formally agreed and consistently applied, with evidence retained.	2	Agreed. Process map to be agreed by the Major Projects Manager, or the Head of Planning and group accountant.	AD Planning	31/01/2020	30/06/2022	5	Outstanding	Currently requests made to Planning team, agreed with finance and invoices supplied / retained. Exacom Software Go live June 2022, S106 Monitoring officer budget bid Feb 2022, with bespoke system and decimated officer producing infrastructure funding statement. Will be complete by the end of June 2022.
NN2009 - Planning Applications and Development Management	Recommendation 2: Response time targets and fees for pre-application work be reviewed, to ensure that they enable good quality, timely responses to be provided to applicants.	2	Agreed, but to be actioned post go-live of UNiform system. NNDC customer satisfaction survey to correlate with review of Pre-application advice service. This will commence on 1st July 2020, to complete by 31st October 2020.	AD Planning	31/10/2020	30/06/2022	4	Outstanding	Subject to agreed actions in relevant team plan (objective 5) deliver pre app service review by June 2022. Undertake a full process and procedure review of all DM and Major related pre-application advice services offered by the Council including engagement with applicants and agents, and key stake holders including affected communities to ensure services are fit for purpose and can deliver better planning outcomes.
NN2009 - Planning Applications and Development Management	Recommendation 4: Monthly reconciliations of planning fee income be reinstated and subject to independent review.	2	Agreed.	AD Planning	01/04/2020	30/06/2022	4	Outstanding	Meeting being planned with Finance to exploit UNIFORM software to enable monthly reconciliations. Will be complete by the end of June 2022.

Job	Recommendation	Priority	Management Comments	Responsible Officer	Due Date	Revised Due Date	Number of times revised	Status	Latest Response
NN2017 – Cadcorp SIS (GIS) Application Audit	Recommendation 2: The Council to ensure that the formally documented operational Cadcorp policies and procedures are reviewed on a regular basis.	2	Agreed. We have documentation but it does need reviewing and updating and with a new member for the team to be recruited it will be ideal timing to bring them up to speed too	ICT Applications Manager	31/07/2020	31/03/2022	4	Outstanding	This work is delayed due to insufficient resources in the GIS team. Measures to address this have been approved by CLT and a minor restructure and recruitment is being implemented. This work has been made a priority for the new Applications Manager who is now in post.
NN2017 – Cadcorp SIS (GIS) Application Audit	Recommendation 1: Management to ensure the GIS service is resourced appropriately according to workload to ensure that continued appropriate seamless support and resilience for the Cadcorp environment is put in place.	2	Agreed. The role of GIS administrator has been recruited and the successful candidate starts in post on 14 February 2020.	ICT Applications Manager	01/05/2020	31/03/2022	4	Outstanding	This work is delayed due to insufficient resources in the GIS team. Measures to address this have been approved by CLT and a minor restructure and recruitment is being implemented. This work has been made a priority for the new Applications Manager who is now in post.

APPENDIX 4 OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS – 2020/21 AUDIT REVIEWS

Job	Recommendation	Priority	Management Comments	Responsible Officer	Due Date	Revised Due Date	Number of times revised	Status	Latest Response
NN2111 Remote Access	Recommendation 2: ICT management to review the Information Security Incident Management Policy to ensure this is up-to-date and reflects the latest processes and controls.	2	Agreed.	Network Manager	31/10/2021	31/03/2022	2	Outstanding	The review of the IT incident policy is ongoing. It is expected this will be completed by 31 March 2022.
NN2111 Remote Access	Recommendation 3: IT management to undertake a communications exercise on completion of the updated Information Security Incident Management Policy to ensure all relevant staff are aware of the correct procedures.	2	Agreed.	Network Manager	30/11/2021	28/02/2022	1	Outstanding	This cannot be done until the review of IT incident policy is finished – recommend extending this date to 28/02/2022.
NN2107 Procurement Contract Management	Action 3: That management review and update the Business Continuity Plan, and other relevant policies in light of the COVID response, including reference to review of contracts.	2	Agreed.	Civil Contingencies Manager	31/08/2021	30/06/2022	3	Outstanding	Due to ongoing staff absence we acquired additional temporary resource from Norfolk County Council to support our civil contingencies work. The Civil Contingencies Officer is now back at work on a part time basis initially and the aim is for this piece of work to be completed by June 2022.
NN2107 Procurement Contract Management	Action 6: A pragmatic and feasible process for regular review of 'off contract' spend is agreed. Consideration to be given to including the contracts register, and mechanisms for automatically identifying 'off contract' payments within the scope of the new finance system.	2	Agreed.	Chief Technical Accountant	30/09/2021	30/04/2023	2	Outstanding	This has been brought in-scope for the new Finance System that is due to be implemented by April 2023. The Procurement Officer is currently undertaking a review using a more manual process. Therefore, I suggest the due date be amended to April 2023. We will continue in the meantime with manual processes.

APPENDIX 5 OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS – 2021/22 AUDIT REVIEWS

Job	Recommendation	Priority	Management Comments	Responsible Officer	Due Date	Revised Due Date	Number of times revised	Status	Latest Response
NN2208 Income	Recommendation 2: All monthly bank reconciliations to be completed and reviewed promptly at the end of each month.	2	Agreed.	Senior Finance Officer	31/12/2021	31/05/2022	1	Outstanding	Reconciliations are always started promptly at the start of the following month. The direct Credits account rec is totally up to date (Jan 22) and the Receipts accounts is currently being worked on. It is expected that monthly bank reconciliations will all be completed, reviewed and up to date by 31 May 2022.