

# Eastern Internal Audit Services



## NORTH NORFOLK DISTRICT COUNCIL

### Follow Up Report on Internal Audit Recommendations

Period Covered: 1 April 2019 to 21 November 2019

Responsible Officer: Faye Haywood –Internal Audit Manager 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:
  - 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 In relation to the historic recommendations (i.e. those prior to the 2016/17 financial year), there is one important recommendation from a 2010/11 review on Development Management. The most recent management response can be seen at **Appendix 2**.
- 2.4 In 2017/18 internal audit raised 50 recommendations; 44 of which have been implemented by the agreed date, six of which are outstanding (five important and four needs attention).

Number raised to date	50	
Complete	44	88%
Outstanding	6	12%

The management responses in relation to the three important recommendations can be seen at **Appendix 3** to the report. Responses in relation to Environmental Health and Waste Management recommendations have not been provided.

- 2.5 A total of 40 recommendations were raised during 2018/19. 27 have been completed. Six recommendations are now outstanding (three important, three needs attention).

Number raised to date	40	
Complete	27	68%
Outstanding	6	15%
Not yet due	7	17%

The management responses in relation to the three important recommendations can be seen at **Appendix 4** to the report. Responses in relation to Environmental Health have not been provided.

- 2.6 A total of six recommendations have been raised so far in 2019/20. Three have been completed. Three recommendations are now outstanding, (two important and one needs attention).

Number raised to date	6	
Complete	3	50%
Outstanding	3	50%

- 2.7 We recommend that officers now focus on completing recommendations raised during 2017/18 as these are now significantly overdue. As requested, the Committee continues to observe the progress made against completion of the one remaining important recommendation made during the 2010/11 review of Development Management, in relation to the Section 106 Arrangements. During our recent review of this area we have been unable to verify that this has been completed and it therefore continues to be monitored.

## APPENDIX 1 – STATUS OF AGREED INTERNAL AUDIT RECOMMENDATIONS

			Completed bt 01/04/2019 to 21/11/2019			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													
<b>2010/11 Internal Audit Reviews</b>															
NN1112	Development Management, Building Control and Land Charges	Adequate					1					1			
<b>2017/18 Internal Audit Reviews</b>															
NN1803	Land Charges	Reasonable					1					1			
NN1807	Environmental Health	Reasonable					2	1				3			
NN1811	Car Parking	Reasonable	1	1								0			
NN1812	Beach Huts	Substantial		1								0			
NN1816	Procurement	Reasonable		1			1					1			
NN1817	Waste Management	Reasonable					1					1			
NN1818	Development Management	Reasonable										0			
<b>2018/19 Internal Audit Reviews</b>															
NN1905	Homelessness and Housing Options	Reasonable	1	1								0			2
NN1909	Network Infrastructure & Security	Reasonable		1								0			
NN1904	Pier Pavilion	Reasonable		3								0			
NN1906	Accounts Payable	Reasonable										0			2
NN1910	Corporate Governance	Substantial										0			2
NN1914	Environmental Health	Reasonable		1					2	3		0			
NN1908	Payroll and HR	Reasonable	2	4					1			0			1
<b>2019/20 Internal Audit Reviews</b>															
NN2008	Car Parking	Reasonable	1	2					2	1		0			
<b>TOTALS</b>			<b>0</b>	<b>4</b>	<b>13</b>	<b>0</b>	<b>6</b>	<b>1</b>	<b>0</b>	<b>3</b>	<b>3</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>7</b>

**APPENDIX 2 - OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS – 2010/2011**

Audit Title	Recommendation	Priority	Management Response	Responsible Officer	Due Date	Revised Due Date	Status	Latest Response
<p>NN1112 Development Management</p>	<p>Written guidance detailing the roles and responsibilities for monitoring the key requirements of Section 106 Planning Agreements should be produced to ensure appropriate action is taken to enforce the conditions contained therein. The guidance should be accompanied by a collated record of all Section 106 Planning Agreements, detailing the trigger points and accompanying obligations. This should include key responsibilities and contacts for the obligation and state action to be taken as and when those trigger points are reached. Where trigger points have been reached, action should be taken in a timely manner to enforce those conditions.</p>	<p>2</p>	<p>Agreed</p>	<p>Head of Planning</p>	<p>30/11/2011</p>	<p>31/03/2020</p>	<p>Outstanding</p>	<p>A complete list of S106 agreements has now been produced covering all agreements from the last ten years. This is being used as the current reference point and will form the basis of the data for when the new software system is introduced. Progress with the software remains as per previous update - it is expected that the new planning system, Uniform, will be installed in December 2019 and the S106 module, Exacom, will be added once Uniform is fully functional. This is expected to be in Q2 2020.</p>

### APPENDIX 3 – OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS – 2017/18 AUDIT REVIEWS

Job	Recommendation	Priority	Management Comments	Responsible Officer	Due Date	Revised Due Date	Status	Latest Response
NN1803 Land Charges	<p>Recommendation 1: Procedure notes be produced for all aspects of the local land charge service. These notes to be version controlled and reviewed on a regular basis.</p> <p>Rationale &amp; risk: Ensuring procedure notes are in place and up to date for all aspects of the service will provide assurance to management that staff are following correct practices. This reduces the risk of errors being made within the process where staff follow incorrect practice, leading to reputational damage and financial loss for the Council.</p>	2	The service accept that the current procedural manual is incomplete and could be improved to include version control and recent changes that have occurred within the service.	Property Information Team Leader	31/12/2017	31/12/2019	Outstanding	The upgrade to the new system in planning, building control and land charges, has been delayed and is due for December 19, as per previous updates the service is planning to review and re-write procedure notes once new software is in place.
NN1807 Environmental Health	<p>Recommendation 1: All the Environmental Health procedures, policies and guidance, including those related to the scope of the audit, be reviewed and updated to ensure that current statutory and non-statutory requirements, where applicable, are included.</p> <p>Rationale and risk: The processes in the procedures may no longer be relevant as current statutory requirements and legislations may not be included in the procedures, policies and guidance. This may lead to non-compliance with the relevant statutes and legislations, errors and delays in processing licences and permits and inconsistent practice arising.</p>	2	The BPR and IT implementation are scheduled to continue until April 2018. Therefore, not all processes will have been completed within the timescale recommended. BPR will tackle the largest volume work first and so processes which deal with the most workload will be addressed first.	Head of EH	30/04/2018	31/03/2020	Outstanding	The BPR process is continuing on implementing the new IT system which is taking significantly longer than originally anticipated. New processes are being developed and reviewed with the separate teams of environmental health and once agreed the associated new procedure guides can be produced.

Job	Recommendation	Priority	Management Comments	Responsible Officer	Due Date	Revised Due Date	Status	Latest Response
NN1807 Environmental Health	Recommendation 2: A process for sharing data relevant to the Environmental Health Team which can be used for identifying businesses requiring licences be agreed with other Council departments including Planning and Revenues (CTAX/NNDR). Rationale and risk: The risk of businesses operating illegally which may harm the members of the public or the environment through unregulated activities carried out by the businesses.	2	Agreed.	Head of EH	31/01/2018	31/07/2019	Outstanding	No response provided.
NN1816 Procurement	Recommendation 4: A new Procurement Strategy be produced, approved and communicated to staff. Rationale and risk: Clear communication of a strategy will provide officers responsible for procurement with the most up to date guidance when procuring goods and services on behalf of the Council. This will also help to confirm that the Council complies with its regulatory responsibilities.	2	The current Procurement Strategy will be reviewed and updated in time for the new 2019/20 financial year.	Procurement Officer	31/03/2019	30/04/2020	Outstanding	As per previous update, the creation of the new procurement strategy is dependent on the new corporate plan which is currently being developed. It is anticipated that the corporate plan will be complete by December 2019, at which point work can begin on redrafting the procurement strategy.
NN1817 Waste Management	Recommendation 1: A review of M3 users is carried out and any accounts belonging to staff who have left the Council are deactivated. Future leavers should be deactivated when notification of their departure is received from HR. Rationale and risk: Promptly deactivating old user accounts will help manage systems access more effectively by ensuring only those requiring access actually have access. If users are not removed, especially from the administrators group, there is a risk of inappropriate changes being made using these accounts.	2	Agreed. Access Policy and Procedure to be written which covers granting access to new users and removal of leavers. This is being tied in to the implementation of the Assure System. In the meantime the Environmental Protection Manager is acting as the control point for all new user access.	Environmental Protection Manager	28/09/2018	31/07/2019	Outstanding	No response provided

## APPENDIX 4 OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS – 2018/19 AUDIT REVIEWS

Job	Recommendation	Priority	Management Comments	Responsible Officer	Due Date	Revised Due Date	Status	Latest Response
NN1914 Environmental Health	Recommendation 1: A Service Level Agreement (SLA) is agreed with VHT to define the terms under which VHT issues Community Protection Notices (CPNs) on the Council's behalf	2	Agreed	Environmental Protection Manager	30/05/2019		Outstanding	No response provided
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		Outstanding	No response provided
NN1908 Payroll	Recommendation 3: Managers be reminded regularly of the requirement to complete driver eligibility checks for all of their staff who drive on Council business.	2	Agreed	HR Manager	30/09/2019	31/03/2020	Outstanding	Reminders have been issued to managers through the HR Business Partners and to all staff via the intranet about ensuring driver eligibility and documents are up to date. The wording on travel claims has also been amended so that there is a regular reminder to managers to check driver eligibility when they authorise claims.  The Council is also exploring options for introducing a different method of ensuring driver eligibility, such as a self-declaration. This work is more complex as it will require policy and system changes.



## APPENDIX 5 OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS – 2019/20 AUDIT REVIEWS

Job	Recommendation	Priority	Management Comments	Responsible Officer	Due Date	Revised Due Date	Status	Latest Response
NN2008 Car Parking	Recommendation 1: Differences in monthly figures for mobile app payments be queried with BCKLWN to ascertain which set of figures are correct for the months April to August 2018 and ensure that there are no differences in other months	2	Agreed	Accountancy Assistant	30/09/2019	09/12/2019	Outstanding	This has been queried with BCKLWN but a response has not been received yet.
NN2008 Car Parking	Recommendation 2: The maintenance contract with Parkeon be reviewed to ensure that the Council is not paying for repairs which are included in the contract	2	Agreed	Leisure and Locality Services Manager	30/09/2019	09/12/2019	Outstanding	The details of what has is covered by the maintenance contract has been queried with the provider, Parkeon, but this has not been fully resolved yet.