Internal Audit Recommendations Update Report

Mid Devon District Council Audit Committee

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devon **audit** partnership

Auditing for achievement

Introduction

The Audit Committee, under its Terms of Reference contained in Mid Devon District Council's Constitution, is required to consider the Chief Internal Auditor's annual report, to review and approve the Internal Audit programme, and to monitor the progress and performance of Internal Audit. The Annual Report for 2023-24 are contained in the papers for this June 2024 meeting of the Committee.

The Accounts and Audit (Amendment) (England) Regulations 2015 introduced the requirement that all Authorities carry out an annual review of the effectiveness of their internal audit system and incorporate the results of that review into their Annual Governance Statement (AGS), published with the annual Statement of Accounts.

The Public Sector Internal Audit Standards require the Head of Internal Audit to provide an annual report providing an opinion for use by the organisation to inform its governance statement.

Our normal Audit Committee reports progress to deliver our audit plan. For this meeting, audit reports are included in our Annual Audit Report. **This paper therefore just concentrates on clearance of internal audit recommendations**.

Expectations of the Audit Committee from this progress report

Audit Committee members are requested to consider:

- Progress made by officers to complete and close agreed management actions.
- Overdue management actions yet to be completed that pose unacceptable risk.

Current and overdue audit recommendations

There are currently 1 High and 20 Medium priority management actions overdue against agreed target dates. This compares to the 21 Medium recommendations reported at the last Audit Committee.

The policy is that only High priority recommendations require Audit Committee agreement to extend target dates and that management can decided to extend Medium and Low recommendation target dates. We provide appropriate challenge if we have any concerns that the weakness has not been addressed.

Audit references	High Not Due	High Overdue	Medium Not Due	Medium Overdue	Low Not Due	Low Overdue	Total (Due and Overdue)
Building Control	0	0	2	0	0	0	2
Capital Asset Management	0	0	1	0	1	2	4
Care Services	0	0	1	0	0	0	1
Cemeteries and Bereavement Services	0	0	0	1	0	0	1
Contact Management	0	0	6	0	0	0	6
Corporate Health and Safety	0	0	0	1	0	1	3
Corporate Repairs and Maintenance	0	0	2	0	0	1	3
Culm Valley Leisure	0	0	3	2	0	0	5
Cyber Security	0	1	4	0	4	0	9
Environmental Health	0	0	0	0	0	1	1
Equality and Diversity	0	0	1	1	0	0	2
Homelessness - Housing Options	0	0	1	0	0	0	1
Housing Benefit	0	0	0	0	0	1	1
Housing Health & Safety	0	0	1	0	0	0	1
Housing rents	0	0	0	1	0	0	1
Income Management	0	0	1	0	0	0	1
Information Governance	0	0	0	7	0	0	7
IR35	0	0	0	1	0	0	1
Leisure Centre	0	0	1	1	1	0	3
Main Accounting System	0	0	1	0	0	1	3

Payroll	0	0	0	2	0	0	2
Performance Management	0	0	4	0	0	1	5
Procurement	0	0	0	2	1	1	4
Recruitment, Selection & Succession Planning	0	0	0	1	0	0	1
Risk Management	0	0	1	0	0	0	1
Service charges	0	0	0	0	1	0	1
Travel and Subsistence	0	0	0	0	0	1	1
Total	**0**	**1**	**30**	**20**	**8**	**10**	**69**

The table below provides more detail on the **overdue High and Medium** Management Actions.

Audit	Priority	Title	Management Objective	Target Date	Managers comment
Cyber Security	H	NCSC guidance and liaise	Will review NCSC guidance and liaise with Devon County and internal procurement to define best practice.	31/03/2024	Lack of capacity in ICT to move forward. Head of Service to determine resources required to complete. Much of the ecosystem remains on prem which mitigates risk somewhat. All new contracts/contract renewals are providing Cyber/DP details as part of process.
Cemeteries and Bereavement Services	M	Database - review processes and budget to upgrade system	Undertake an independent lean process review to eradicate any duplication of work and to investigate the possibility of having a full digitised Cemeteries System.	30/04/2024	Local peer enquiry as to software used has been undertaken. Software providers are to be engaged to investigate opportunity and select appropriate product.
Corporate Health and Safety	M	Monitoring of induction forms	New induction process to be rolled out. Induction form to request the line manager contacts HR Business Partner should specific aspects require a review.	31/03/2024	New induction process currently being reviewed by Impact and going to Service Leads in July. Part of the staff survey action plan.
Culm Valley Leisure	M	Business plan	The observations should be considered, and suitable additions/amendments made to future Plans as necessary. Awareness of the Plan amongst staff should be improved.	30/04/2024	Leisure Strategy being developed in line with corporate plan with a business plan per site to sit behind this with targets, and to be integral to objective setting and appraisals/1:1's

Culm Valley Leisure	M	Fire safety requirements	The Leisure Service should ensure that fire safety requirements within the Centre are fully addressed, and all outstanding documentation brought up to date.	29/03/2024	The centre is building their documentation and a new fire alarm system has been installed at the centre in September 2023.
Equality and Diversity	M	Workforce planning	Obtain further information about the composition of the internal council workforce and compare it to the local population to inform workforce planning.	31/10/2023	Software updated. External Myview being tested. Once confirmed all is working, communication to be sent out encouraging employees to come forward with their EDI data
Housing Rents	M	Reconciliations between Orchard and eFinancials	Reconciliations, ideally, should be signed off within 1 month of the preparation of that reconciliation. However, other demands, such as budget setting and closedown put pressure on the internal deadlines being met. As always, the aim will be to sign all reconciliations off as soon as practicable.	31/03/2024	
Information Governance	M	Information formats/tags such as information classification	GW – in IAR work. GW has provided classification training to two departments and Councillors. Assessment as to whether this can be made compulsory training in progress. InTune is used and being developed to auto tag as and when tags have been defined. Further work on policies required. Some Cyber Audit aspects that will cover this side of things.	31/05/2024	Insufficient resource in ICT to progress.
Information Governance	M	Periodic service-by-service review framework	Would need to put in place a procedure to ensure data evaluation mechanism. GW – retention schedule. Planning to roll out in conjunction with new CRM. Cleanse all data as it comes into the CRM. All data into new CRM will have been reviewed and cleansed. Need policy going forward to ensure data remains clean, accurate, complete etc. Data quality – issues linked to systems and/or processes. Quality reviews in place – GW noticed drop off in minor data breaches. GW – intending to run yearly audits across MDDC. GW going to DISP – to liaise with Torbay Council's DPO to discuss IG 1/4ly reviews.	31/05/2024	Need to review in line with IAR work and annualised (or on change basis) programme of review will be implemented.
Information Governance	M	Programme for delivery of goals for the complex systems and risks	Staff now in place and taking this forward. Now have a programme. Had a review of KPI's – established high targets that are achievable.	31/05/2024	Will now need to be rescheduled and reviewed due to resignation and capacity.

Information Governance	M	Quality Assurance process	Linked to 1.9 and 1.7 as above – Managers now engaging proactively with IG and reviewing processes for passing and sharing data. Which is producing fewer data breaches. Data quality reviews being done with services as processes are reviewed. Long term data quality activities in conjunction with CRM project.	31/05/2024	Will now need to be rescheduled and reviewed due to resignation and capacity.
Information Governance	M	Usefulness and usability of key business systems	This will be identified within the ROPA/RACI work as well as ongoing review past target date below via CRM Service and reporting reviews and liaison with Corporate Performance Officer.	31/05/2024	Will now need to be rescheduled and reviewed due to resignation and capacity.
Information Governance	M	Overarching communications plan	Still intending that the RACI model will address this	31/03/2024	Will need to be reviewed now due to resignation.
Information Governance	M	Information management strategy	Definition to be agreed via IT/IG board moving forward and work also being done in conjunction with ROPA/RACI.	31/01/2024	Will now need to be rescheduled and reviewed due to resignation and capacity.
IR35	M	Off Payroll Working training	Reminders will be issued to managers (escalation to service heads. Look to improve the narrative content of these reminders. Aim for 90% of managers to have completed their training by end July 23.	31/10/2023	New training be procured from the provider following update in guidance from HMRC.
Leisure Centre	M	Asset register	An asset register should be implemented to provide the service area with full knowledge on assets in place.	29/03/2024	Reviewed and in place after the current project (decarbonisation). These projects will result in a number of assets being changed within the building. Register will be provided during May/June 2023. this will also form part of the Property condition survey review.
Payroll	M	Reconcile back to the 'back pay'	Await the response from the payroll supplier as to how the back pay is actually calculated.	31/07/2023	Awaiting clarification from Zellis (this is the same calculation as the other recommendation)
Payroll	M	details of calculation of final salary payment	Await response from payroll supplier as to how system calculates part month payments.	31/10/2022	The data that came back from the supplier didn't answer or questions so am awaiting further clarification.
Procurement	M	Procurement Action Plan	Support from the DCC team should be sought (assuming required) as a discreet piece of work in creating the procurement action plan.	31/12/2023	Once the new regulations are brought in (moving away from the EU regulations following Brexit), the Strategy may need to be updated. This will then flow down to an action plan to deliver the strategy.

Procurement	M	Contract detail within the contracts register	Ensure that the links to detail of the contract register are operational at the earliest opportunity.	31/07/2023	Work is continuing within Procurement and Digital Services on preparing the new contracts register for rollout. Testing identified some minor issues which have recently been resolved, with the contracts register now expected to go live in the next few weeks.
Recruitment, Selection & Succession Planning	M	Recruitment training	Managers should receive some support / training / refresher on recruitment interviewing.	31/12/2023	Work underway on contents of Recruitment training. New DBS and Safeguarding Policy to be factored in before roll out to managers and uploaded to the LMS.