Implementation of Internal Audit Recommendations: Summary of Progress
Report by Head of Finance

Summary:	This report updates members on progress in implementing Internal Audit recommendations arising out of audits carried out since 2014/15 and 2015/16.
Recommendation:	That the report be noted.

1 Introduction

1.1 It has been agreed that this Committee will receive a regular update of progress made in implementing Internal Audit report recommendations, focusing on outstanding recommendations and including timescales for completion of any outstanding work.

1.2 This report summarises the current position regarding recommendations arising out of internal audit reports which have been produced since 2014/15 and 2015/16. It sets out in the appendix details of:

- recommendations not yet implemented;
- recommendations not implemented at the time of the last meeting which have since been implemented: and
- new recommendations since the last meeting.

2 Summary of Progress

2.1 In the previous report to this Committee in February, three medium and three low priority recommendations relating to End User Controls were identified as outstanding. Two of these continue to remain outstanding at the date the report was written but a verbal update will be provided during the meeting.

3 Internal Audit Programme 2015/16

3.1 The second audit from the 2015/16 programme is currently underway for Planning. It is expected that the draft report will be issued by 10 September and finalised by 26 September 2015. The recommendations from this audit will be reported to the next committee meeting in February 2016.

3.2 Corporate Governance and Risk Management

3.2.1 The regular annual audit of Corporate Governance and Risk Management was completed in June following fieldwork in April and May. The objective of

the audit was to review the systems and controls in place within the promotion of ethics and values, pursuit of strategic objectives, communication and coordination of activities and information within the organisation, along with risk management. This was to help confirm these are operating adequately, effectively and efficiently. The audit also assessed progress in respect of implemented and outstanding agreed audit recommendations. This resulted in a "good" audit opinion with three low priority recommendations and one operational effectiveness matter being raised. This is consistent with last year's rating of "good".

3.2.2 The audit identified areas for improvement relating to:

- linking the Strategic Risk register clearly to the Strategic Objectives and Annual Strategic priorities;
- mitigating actions and further necessary actions on the Strategic Risk Register be reviewed for all risks to ensure they are giving adequate assurance to reduce the residual risk scoring;
- the risk register is added as a standing agenda item for Financial Scrutiny and Audit Committee.

3.2.3 Good practice was noted relating to controls in place around:

Corporate Governance

- Key corporate governance documents are in place establishing the Authority's Ethical Standards and Corporate Governance structure, which have been approved by the Members;
- The Authority's Code of Conduct and Code of Corporate Governance are available to the public and other stakeholders;
- The Annual Governance Statement is prepared each year and issued in September, following approval by the Members;
- A formal process is in place regarding escalation of issues/complaints made relating to ethical behaviour and transparency by the Authority's Members, and two independent Members have been identified to investigate complaints should the need arise;
- Performance against the Authority's key strategic objectives as stipulated in the Broads Plan 2011–2016, is documented and monitored by the Members, the Management Team and the Management Forum (Heads of Service); and
- Clear Strategic Priorities have been identified following major public consultations and are reviewed annually. Performance of the Authority is assessed against each strategic priority, with progress available on the Authority's website.

Risk Management

- There is a mechanism in place that assists the risk identification process;

- A Strategic Risk Register is in place, which is updated twice a year by the risk owners and is reported annually at the Financial Scrutiny and Audit Committee; and
- A Risk Management Policy is in place, which clearly sets out the Authority's risk tolerance, as well as risk classification, deduced from the scoring method.

3.2.4 The recommendations remain outstanding but are still on target to be completed by the agreed dates.

3.3 Details of all new recommendations and the Authority's actions to date in response are set out in the appendix.

Background papers: None

Author: Emma Krelle
Date of report: 19 September 2015

Broads Plan Objectives: None

Appendices: APPENDIX 1 – Summary of Actions / Responses to Internal Audit Recommendations 2014/15 - 2015/16

Summary of Actions / Responses to Internal Audit Recommendations 2014/15 - 2015/16

End User Controls: December 2014

	Recommendations	Priority Rating	Responsible Officer(s)	BA Response/Action	Timetable
1.	**Screensaver configuration** The Authority should deploy screensaver controls that include the following: • The configuration of a default screensaver that cannot be changed by the user; • Implementation of an appropriate screen lock timeout, i.e. 10 minutes after inactivity, that initiates the screensaver automatically; and A requirement for the user to re-enter their network password to unlock the screensaver when returning to their screens.	Medium	Head of IT and Collector of Tolls	Completed.	By 31/05/2015 Revised Target Date: 31/08/2015
3.	**Formal Disposal Policy** The Authority should give consideration to formally documenting an IT Disposal policy.	Low	Head of IT and Collector of Tolls	Completed.	By 31/05/2015
5.	**Laptop hardware encryption** The Authority should give consideration to deploying hardware encryption to every laptop under its	Low	Head of IT and Collector of Tolls	In progress. Pending completion of Domain upgrade of Windows Server which will allow for centralised	By 31/05/2015 Revised Target Date: 31/08/2015

Summary of Actions / Responses to Internal Audit Recommendations 2014/15 - 2015/16

	Recommendations	Priority Rating	Responsible Officer(s)	BA Response/Action	Timetable
	control.			control of laptop encryption. Anticipated to be completed by date of FSAC Meeting	
6.	**Blackberry device password controls** The Authority should ensure that appropriate mobile device password controls are implemented as part of the deployment of Blackberry Enterprise Server (BES) version 12.	Medium	Head of IT and Collector of Tolls	Completed. .	By 31/05/2015 Revised Target Date: 31/08/2015
7.	**USB device controls** Recommendation - The Authority should ensure that appropriate controls over USB devices are implemented when Windows Server 2008 is deployed. Such controls could include the following: • Restrict usage to specific, Authority approved, devices only; • Restrict the ability to copy data to, or from, devices not permitted by the Authority; and • Ensure that appropriate Anti Virus/Malware scanning is initiated on reading the device's data.	Medium	Head of IT and Collector of Tolls	In progress Pending completion of Domain upgrade of Windows Server. Anticipated to be completed by FSAC meeting date	By 31/05/2015 Revised Target Date: 31/08/2015

Summary of Actions / Responses to Internal Audit Recommendations 2014/15 - 2015/16

Consultation Activities and Partnership Provisions: January 2015

	Recommendations	Priority Rating	Responsible Officer(s)	BA Response/Action	Timetable
2.	**Parish Forum Feedback is Provided to the Broads Authority** Consideration should be given to providing a more formal feedback report, covering attendees, issues raised and the advice given at the Parish Forum meetings.	Medium	Director of Planning and Resources / Strategy and Projects Officer	Completed. Formal feedback from each Parish Forum in the form of a short written summary to be provided to the Broads Authority Meeting following the relevant Parish Forum. The Parish Forum in April was reported via the minutes at the July Authority meeting.	By 31/05/2015 Revised Target Date: 10/07/2015
3.	**Parish Forums are Consulted on Strategic Priorities** Consideration should be given to increasing the Parish Forums participation in the setting of the Strategic Priorities by holding a joint meeting / workshop during the consultation period for the Parish Forums.	Medium	Director of Planning and Resources / Strategy and Projects Officer	Parish Forum (to which all Parishes will be invited) will be scheduled during the consultation period on the Strategic Priorities and will be highlighted as an agenda item. It is suggested that this be trialled for the consultation on the 2016-17 Strategic Priorities and the results reviewed to see whether it has resulted in increased participation.	By 01/01/2016

Summary of Actions / Responses to Internal Audit Recommendations 2014/15 - 2015/16

	Recommendations	Priority Rating	Responsible Officer(s)	BA Response/Action	Timetable
4.	**Consultative Review Action Plan** An evaluation of the effectiveness of the measures put in place to implement the Review of Consultative Arrangements recommendations should be carried out.	Medium	Director of Planning and Resources / Strategy and Projects Officer	A Review of the effectiveness of the measures put in place following the Consultative Review to be completed. Broads Forum will be asked to review the effectiveness of the changes introduced to its procedures in November 2015.	By 01/03/2016

Corporate Governance and Risk Management: June 2015

	Recommendations	Priority Rating	Responsible Officer(s)	BA Response/Action	Timetable
1.	**Strategic Objectives Aligned with Risk Register** The Strategic Risk Register should be directly linked to the Strategic Objectives and Annual Strategic Priorities, with a gap analysis completed.	Low	Solicitor & Monitoring Officer	Agreed in principle at the de-brief meeting by the Solicitor and Monitoring Officer on 12th May 2015. This recommendation will be reviewed by the Authority's Management Team before reporting back to the Financial Scrutiny and Audit Committee on 22nd September 2015 (updated to 9 February 2016)	By 31/03/2016

Summary of Actions / Responses to Internal Audit Recommendations 2014/15 - 2015/16

	Recommendations	Priority Rating	Responsible Officer(s)	BA Response/Action	Timetable
				with an agreed way to implement this recommendation being adopted as soon as practicable thereafter.	
2.	**Scoring within the Risk Register** The risk scoring mechanisms, mitigating actions and further necessary actions on the Strategic Risk Register should be reviewed for all risks, to ensure they are giving adequate assurance to reduce the residual risk scoring.	Low	Solicitor & Monitoring Officer	Agreed in principle at the de-brief meeting by the Solicitor and Monitoring Officer on 12th May 2015. This recommendation will be reviewed by the Authority's Management Team before reporting back to the Financial Scrutiny and Audit Committee on 22nd September 2015 with an agreed way to implement this recommendation being adopted as soon as practicable thereafter.	By 31/03/2016
3.	**Embedding Risk Management** The Strategic Risk Register should be added as a standing agenda item for the Financial Scrutiny and Audit Committee.	Low	Solicitor & Monitoring Officer	Agreed in principle at the de-brief meeting by the Solicitor and Monitoring Officer on 12th May 2015. The Strategic Risk Register shall be added as a standing	By 31/12/2015

Summary of Actions / Responses to Internal Audit Recommendations 2014/15 - 2015/16

	Recommendations	Priority Rating	Responsible Officer(s)	BA Response/Action	Timetable
				agenda item for the Financial Scrutiny and Audit Committee. This will be effective as of its first meeting of 2016, namely 9 February 2016.	
4.	**Communication of Documents** All staff should be formally reminded to review the Code of Conduct and Code of Corporate Governance documents, to ensure that they remain compliant.	Operational Effectiveness	Senior HR Advisor	Agreed in principle at the de-brief meeting by the Solicitor and Monitoring Officer on 12th May 2015. As part of a review of this Authority's HR policies, the recommendation to ensure that staff should be formally reminded to review the Code of Conduct and Code of Corporate Governance documents, to ensure that they remain compliant, will be implemented.	By 31/03/2016