

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 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 summarizes the current position regarding recommendations arising out of internal audit reports which have been produced for 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
 - New recommendations since the last meeting.

2 Summary of Progress

- 2.1 In the previous report to this Committee in July the final recommendation relating to Key Controls has now been completed and is under agenda item 15 of this Committee. Three of the recommendations relating to the members governance will be complete following the Authority's adoption of the new code of conduct for members on 30 September 2016.

3 Internal Audit Programme 2016/17

- 3.1 At the date of this report the first two audits from the 2016/17 programme have yet to commence. The first audit is focusing on External Funding, in particular the HLF bid and the National Parks Partnership. Work on site is due to start on 4 October 2016. The second audit is an IT audit and will be focusing on controls around the management of Anti-Virus/Malware protection, Backups and Firewalls Management. This audit is due to commence on 5 October 2016. The results from these audits will be reported to the next FSAC meeting on 7 February 2017.

Background papers: None

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Date of report: 2 September 2016

Broads Plan Objectives: None

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

Summary of Actions / Responses to Internal Audit Recommendations 2015/16

Key Controls: April 2016

| Recommendations | Priority Rating | Responsible Officer(s) | BA Response/Action | Timetable |
|--|-----------------|------------------------|--|-------------|
| 1. Approval of Budget Virements The current process of approving virements to be reviewed, and either be brought in line with the Broads Authority Financial Regulations or a request to change these regulations be made to the Management Team, to modify the approval requirement. If the correct approval process is not followed for budget virements there is a risk that budgets may be used for inappropriate purposes. By ensuring that all budget virements are approved in accordance with the Broads Authority Financial Regulations | Needs Attention | Head of Finance | The Management Team have agreed that the regulations should be updated, to be completed by the implementation date shown. Completed. Please see updated Financial Regulations later on this agenda under item no. 15. | By 31/08/16 |

Review of Members Governance: April 2016

| Recommendations | Priority Rating | Responsible Officer(s) | BA Response/Action | Timetable |
|--|-----------------|--------------------------------|--|-------------|
| 2. Members Conduct Guidance to be produced for informal treatment of complaints against Members which should include a set | Important | Solicitor & Monitoring Officer | Agreed. BA to Review Members of Conduct, Complaints Process and timescales, Member/Officer | By 30/11/16 |

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|---|-----------------|--------------------------------|---|-------------|
| <p>of criteria to determine if the incident is to be treated informally or whether it should follow the formal process. In conjunction with this, the formal complaints process should be reviewed and updated to also incorporate the process for dealing with Broads Authority Members and staff if they are the complainant. This should refer to the Protocol on Member and Officer Relations in the Broads Authority.</p> <p>To ensure the complaints process for Members captures all eventualities including decisions to treat certain incidents in an informal matter. This should contribute to the transparency of the process and help mitigate the risk that complaints/misconduct are treated inconsistently, unfairly and not in accordance with policy.</p> | | | <p>Protocol when new Solicitor and Monitoring Officer takes up post, by 31/10/16.</p> <p>To be approved By Broads Authority on 18/11/2016.</p> <p>Completed. Included in the Members Code of Conduct to be adopted by the Authority 30/09/2016.</p> | |
| <p>3. Members Training & Support Management to conduct a review of the training strategy and to ensure that the strategy is reviewed on a regular basis going forward. Version control details to be added to ensure it is clear when the strategy was last updated.</p> | Needs Attention | Solicitor & Monitoring Officer | <p>Agreed. BA to Review Training Strategy for Members when new Solicitor and Monitoring Officer takes up post, by 31/10/16.</p> <p>To be approved By Broads</p> | By 30/11/16 |

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|---|-----------------|--------------------------------|--|-------------|
| Regular review of the Members Training Strategy will help to ensure that the strategy remains appropriate to the Authority's changing requirements. | | | Authority on 18/11/2016. Update: Once the code of conduct has been approved training will be carried out and regularly reviewed. | |
| <p>4. Members Conduct To review and update as necessary, the existing Code of Conduct associated documentation, including ensuring the current officers are referred to such as the Solicitor and Monitoring Officer. This should include incorporation of the Hearings Committee terms of reference so that their role and make up is clear and included within the main documentation. Appropriate updating of the Code of Conduct guidance should reduce the risk that out of date guidance is applied and processes are not carried out correctly and in an untimely manner.</p> | Needs Attention | Solicitor & Monitoring Officer | <p>Agreed.BA to Review Members of Conduct, when new Solicitor and Monitoring Officer takes up post, by 31/10/16.</p> <p>To be approved By Broads Authority on 18/11/2016.</p> <p>Completed. Included in the Members Code of Conduct to be adopted by the Authority 30/09/2016.</p> | By 30/11/16 |
| <p>5. Members Conduct Code of Conduct policies and practices adopted by other authorities were reviewed against those in use at the Broads Authority. As a result of</p> | Needs Attention | Solicitor & Monitoring Officer | Agreed. BA to Review Members of Conduct, Complaints Process and timescales, Member/Officer Protocol when new Solicitor | By 30/11/16 |

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| <p>this review the following is recommended:</p> <ul style="list-style-type: none"> - To update the Code of Conduct to refer to disclosing a "public service interest" including the definition of a public service interest. - To include a section, in the Code of Conduct, on 'Disclosable Pecuniary Interests' which includes descriptions of interests such as contracts and corporate tenancies and, a section on non-pecuniary interests. - Assessment criteria to be applied in the initial assessment of the complaints process to act as a form of checklist. This can then determine if the complaint needs to be investigated or not. - Review the terms of reference for the Hearings Committee against those of other authorities such as South Downs to ensure they are robust enough. - Include timeframes for certain parts of the process including initial assessment of the complaint, notification of no action taken and, time taken for the actual decision to | | | <p>and Monitoring Officer takes up post, by 31/10/16.</p> <p>To be approved By Broads Authority on 18/11/2016</p> <p>Completed. Included in the Members Code of Conduct to be adopted by the Authority 30/09/2016.</p> | |

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| <p>be made. Consider if the performance in meeting these timeframes can then be reported within the annual report to the Broads Authority. Code of Conduct documents are more comprehensive and robust which mitigates the risk that they are not fit for purpose.</p> | | | | |