

Implementation of Internal Audit Recommendations: Summary of Progress
Report by Chief Financial Officer

Summary: This report updates members on progress in implementing Internal Audit recommendations arising out of audits carried out during 2017/18.

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 for 2017/18. 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 July the final recommendation relating to Key Controls has been completed. One of the recommendations relating to the Asset Management, the Port Marine Safety Code and the final Corporate Governance have been completed. Commentary on the outstanding recommendations is provided in Appendix 1.

3 Internal Audit Programme 2018/19

- 3.1 The first audit from the 2018/19 programme on Key Control has just had its onsite testing completed with the final report due 4 January 2019. Corporate Governance is scheduled to be undertaken at the end of November. The outcome of both these audits will be reported to the March committee.

Background papers:	None
Author:	Emma Krelle
Date of report:	20 November 2018
Broads Plan Objectives:	None
Appendices:	APPENDIX 1 – Summary of Actions / Responses to Internal Audit Recommendations 2017/18

Summary of Actions / Responses to Internal Audit Recommendations 2017/18

Asset Management: August 2017

Recommendations	Priority Rating	Responsible Officer(s)	BA Response/Action	Timetable
<p>1. Maintenance and insurance A master record of building condition monitoring surveys is created, to provide assurance that all surveys are completed when required.</p> <p>An overall record of building surveys will provide management with assurance that condition of assets is being monitored and that necessary maintenance tasks are completed. If this kind of overview is not available, it is more difficult to determine whether surveys are being completed. Hence there is a risk that the condition of properties deteriorates, potentially leading to financial and reputational loss to the Authority.</p>	Important	Asset Officer	<p>Conditioning monitoring is dependent on the IT work plan and priorities. A meeting to scope project and timescale to be undertaken by end of September 2017.</p> <p>Update: Although reported complete at the last FSAC the system was taken down so that conditioning monitoring forms were stored against specific building sites. Responsible officers are now being informed and DMS will be available for use by the end of July.</p> <p>Completed.</p>	<p>Originally agreed by 30/09/17</p> <p>Updated to 31/07/18</p>
<p>3. Leases The Authority agrees timescales for completing lease agreements with key stakeholders to reduce delays.</p> <p>Agreeing a timescale with all parties</p>	Needs Attention	Solicitor & Monitoring Officer	<p>Delayed responses from our current legal provider have been identified. This will be addressed when we go out to tender for Legal Services. The tender is due to go out</p>	<p>Originally agreed by 01/04/18</p> <p>Updated to 1/02/19</p>

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<p>involved will help to ensure that key tasks are completed in a timely manner.</p> <p>If there is no agreed timescale, it is more difficult for the Authority to conclude lease agreements in advance.</p>			<p>by the end of September with the new contract to start 1 April 2018.</p> <p>New/extension leases are planned 12 months prior to expiry date. Control over the lessee legal services are difficult to influence due to the size and type of their organisations.</p> <p>Update: Following the previous delays with the procurement process and the Solicitor & Monitoring Officer moving to one day a week, legal services within the Authority needs to be re-scoped and this will include property issues. It is still the preferred option at this stage is to move to a standing list of property legal providers which will need to be agreed by the next Full Authority meeting in February.</p>	

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Port Marine Safety Code: September 2017

Recommendations	Priority Rating	Responsible Officer(s)	BA Response/Action	Timetable
<p>1. Governance To arrange for a peer review to be undertaken of the Broads Authority's Safety Management System (SMS) by the Canal and River Trust, or another suitable organisation, as a reciprocal arrangement in between external audit visits in addition to the 3 yearly external audit.</p> <p>The PMSC Guide to Good Practice advocates that the DP is independent of the SMS process and external / peer reviews would assist in mitigating the risks associated with this. This will also assist in assessing the performance of the SMS through benchmarking against other similar organisations.</p>	Important	Head of Safety Management	<p>Agreed. The Authority has considered the issue of independence of the external auditors and the appointed designated person. The Authority is assured that the recent change in external audit providers adequately provides the assurance that the process is independent and complies with the requirements of the Port Marine Safety Code.</p> <p>However the recommendation of using a peer review or a MCA health check will give further assurance of independence. The Authority will commence talks with possible providers, by September 2018, regarding this proposal with the aim of scheduling an interim peer review or Health check in 2019.</p>	By 31/01/19

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			Update: Initial contact made with both the MCA and an external independent consultant who offer PMSC health checks. Health check scheduled for mid 2019.	
<p>3. Governance The Authority's annual report should refer to the PMSC, including compliance with this and the standard of performance, cross referenced to the performance dashboard.</p> <p>Inclusion in the Authority's annual report would increase the awareness and prominence of the PMSC, mitigating the risk that the PMSC is not complied with and performance of the PMSC is not transparent.</p>	Important	Head of Safety Management, Head of Communications.	<p>Agreed. The Annual report is prepared during the spring of each year and published in the Summer. A statement to reflect the recommendation will be included in the next annual report and will feature as a standing item in future reports.</p> <p>Completed Annual report published in the summer</p> <p>Please see link http://www.broads-authority.gov.uk/_data/assets/pdf_file/0006/1345875/Broads-Authority-Annual-Report-2017-18.pdf </p>	By 30/09/18
7. Governance	Needs	Solicitor and	Agreed. All members of	By 28/02/19

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<p>Briefings given to the Navigation Committee and BSMG on the risk assessment process, hazard identification and assessment and the ALARP principle are documented and recorded in the minutes.</p> <p>Briefing packs in relation to the risk assessment process, hazard identification and assessment and the ALARP principle (which are provided to the stakeholder group involved in the review of hazards) should also be made available to all new appointees to the Navigation Committee and the BSMG. Consideration is also given to providing these to all members of the Navigation Committee and the BSMG.</p> <p>A record of all training provides confirmation that it has taken place and reduces the risk that misinformed decisions are made resulting in inadequate port marine safety.</p>	Attention	Monitoring Officer, Head of Safety Management	<p>Boat safety management group, the stakeholder hazard review group, the navigation committee and the Broads Authority receive training on risk assessment and ALARP principles before dealing with the risk assessments process. This formal training will be recorded in the minutes of each of the groups/ committees at the next opportunity when hazards are reviewed/ assessed scheduled for Feb 2019</p> <p>Any new members to the group will be trained in this regard prior to any risk review or assessment as part of the regular refresher training being delivered each time the risk review process is entered into.</p> <p>Update: Briefing pack now in preparation for the forthcoming hazard review in February 2019</p>	

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Key Controls: December 2017

Recommendations	Priority Rating	Responsible Officer(s)	BA Response/Action	Timetable
<p>4. Accounts receivable The Scheme of Powers Delegated to Officers is updated to remove outdated references to the Treasurer and Financial Advisor to the Authority and to replace them with current references including the Chief Financial Officer (Section 17 Officer).</p> <p>Updating the Scheme of Powers Delegated to Officers will align governance arrangements to the Authority's current officer structure. If the document is not up to date, there is a risk of confusion over the decision making arrangements which could also lead to decisions being made by unauthorised members of staff.</p>	Needs Attention	Solicitor and Monitoring Officer	<p>Agreed. Scheme of Powers to be updated and adopted by the Authority.</p> <p>Update: Amended scheme of powers was considered and adopted by the Broads Authority on 27/07/18.</p> <p>Completed.</p>	<p>Originally agreed by 16/05/18</p> <p>Updated to 27/07/18</p>

Corporate Governance: March 2018

Recommendations	Priority Rating	Responsible Officer(s)	BA Response/Action	Timetable
2. Compliance	Important	Solicitor and	Agreed.	Originally agreed by

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<p>The data asset register incomplete columns to be finalised and to take into account the ICO checklists for 'Documentation of processing activities – requirements' and 'Documentation of processing activities – best practice; and ICO documentation template for controllers.</p> <p>This should include, but not be limited to the following:</p> <ul style="list-style-type: none"> - The source of the personal data; - Legal basis for processing data; - Plan for return and destruction of the data once processing is complete (shared data); - Occupational health records; - The name and contact details of your organisation (and where applicable, of other controllers, your representative and your data protection officer); and - Description of technical and organisational security measures (including records, devices, emails, which are encrypted) <p>Adhering to ICO checklists and the documentation template should assist</p>		Monitoring Officer	Completed. The ICO currently available guidance has been reviewed and incorporated. The ICO guidance will be regularly reviewed to ensure it remains up to date.	<p>30/04/18.</p> <p>Updated to 31/07/18.</p>

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in ensuring mandatory information is included, best practice is followed and terminology and approach is consistent with the ICO. This thereby mitigating the risk that there is non-compliance with the GDPR.				