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 and 2018/19.
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 and 2018/19. 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 March the outstanding recommendation relating to the 2017/18 audit Asset Management has been completed whilst the Port Marine Safety Code will be completed following Broads Authority on 26 July. Recommendations relating to the 2018/19 audit for Corporate Governance and Risk Management have slipped following the departure of the Solicitor and Monitoring Officer. Recommendations from the Disaster Recovery audit will be completed by the end of July. Updated commentary on the outstanding recommendations is provided in Appendix 1.

3 Internal Audit Programme 2018/19 and 2019/20

3.1 The final audit from the 2018/19 programme has now been completed, with further details below. The first audit from 2019/20 programme is scheduled for August and will focus on the Water Mills and Marshes project (external funding). Procurement, Keys Controls and Corporate Governance are

scheduled for quarters three and four. The outcome of these three audits will be reported to the November, March and July meetings.

3.2 Branding

3.2.1 The objective of this audit was to review the adequacy, effectiveness and efficiency of the systems and controls in place over the Branding process. This resulted in a "reasonable" audit opinion with six "needs attention" recommendations being raised.

3.2.2 Good practice was noted relating to sound controls that are in place and operating consistently:

- A bespoke piece of Broads National Park art work was presented to Norwich Train Station by the Broads Authority which adorns two walls of the waiting room beside platform one. The art work is the third to be installed in major 'gateways' to the Broads National Park with others at Norwich Airport and Great Yarmouth Train Station.
- The Broads Authority has systems in place to address the new Public Sector Bodies Accessibility Regulations 2018 which refers to making sure that websites, applications and other digital media can be accessed by all, including those with disabilities such as visual, motor and other impairments. This contributes to effective access by the public to key resources including material which involve the use of branding.
- The Broads Authority has produced a set of Brand Standards for the Broads National Park, designed for anyone producing materials carrying the Broads brand, which are available to download from the Broads Authority website.
- A sample test of material including both Broads Authority and Broads National Park logos, confirmed that they met branding requirements.
- The Communications Officer (Digital) monitors the use of social media which includes ensuring that the correct branding and logos are applied. This incorporates the use of a software application called 'Buffer', designed to manage accounts in social networks by providing the means for a user to schedule posts to Twitter, Facebook, Instagram, and LinkedIn, as well as analyse results and engage with the community.

3.2.3 Two of the "needs attention" recommendations have been completed with the remaining on target for completion.

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

Asset Management: August 2017

	Recommendations	Priority Rating	Responsible Officer(s)	BA Response/Action	Timetable
3.	**Leases** The Authority agrees timescales for completing lease agreements with key stakeholders to reduce delays. Agreeing a timescale with all parties involved will help to ensure that key tasks are completed in a timely manner. If there is no agreed timescale, it is more difficult for the Authority to conclude lease agreements in advance.	Needs Attention	Solicitor & Monitoring Officer	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 by the end of September with the new contract to start 1 April 2018. 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. 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	Originally agreed by 01/04/18 Updated to 17/05/19

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

Recommendations	Priority Rating	Responsible Officer(s)	BA Response/Action	Timetable
			preferred option at this stage is to move to a standing list of property legal providers. This did not make the previous Authority meeting in February. It will still need to be agreed by the next Full Authority meeting in May. Completed. A form is in use with the new legal services supplier where timescale for response is indicated.	

Port Marine Safety Code: September 2017

	Recommendations	Priority Rating	Responsible Officer(s)	BA Response/Action	Timetable
7.	**Governance** 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. Briefing packs in relation to the risk assessment process, hazard	Needs Attention	Solicitor and Monitoring Officer, Head of Safety Management	Agreed. All members of 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	Originally by 28/02/19 Updated to 26/07/19

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

Recommendations	Priority Rating	Responsible Officer(s)	BA Response/Action	Timetable
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. 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.			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 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. Update: Briefing pack now in preparation for the forthcoming hazard review in February 2019. Broads Authority on 26/07/19 is the final step in this process.	

Summary of Actions / Responses to Internal Audit Recommendations 2018/19

Corporate Governance and Risk Management: February 2019

	Recommendations	Priority Rating	Responsible Officer(s)	BA Response/Action	Timetable
1.	**Risk Management** The Risk Management Policy is reviewed and updated as required to reflect the current governance arrangements and responsibilities for risk, including those assigned to the Audit and Risk Committee (ARC) and the frequency of the reporting of risks to the ARC. This should include an explanation of what is classed as an operational risk as opposed to a strategic risk and how service risks should be managed and escalated to strategic level, if required. It should also define the risk appetite/tolerance level. The policy should be version controlled, approved by the Full Broads Authority and reported to the ARC. Following approval, the policy should be disseminated to all staff and placed on the authority's intranet. An up to date risk management policy mitigates the risk that out of date	Important	Management Team, previously Solicitor & Monitoring Officer	The risk management policy will be reviewed and updated to reflect the correct committee, lead officer and risk appetite (including colour coding). The updated policy will be taken to Audit and Risk for review prior to Broads Authority approval. Update: Following the departure of the Solicitor & Monitoring Officer Management Team have agreed to take on responsibility for the policy and risk register. This work has been scheduled for over the summer and will be reported to November committee.	Originally agreed by 26/07/19 Updated to 29/11/19

	Recommendations	Priority Rating	Responsible Officer(s)	BA Response/Action	Timetable
	processes are being used leading to incorrect decision making and lack of corporate governance.				
2.	**Risk Management** An exercise is undertaken to review the Strategic Risk Register (SRR) to identify which risks are strategic, i.e., risks to the achievement of the strategic objectives. This should conclude that the remaining risks are at an operational/service level and as such, should be managed at this level. The resulting SRR should score all risks which have been identified and include a column which states which strategic objective they relate to. In addition, the SRR should make it clear which risks are within and outside of the risk appetite by using colour coding. Clearly distinguishing between operational/service level risks and strategic risks helps to ensure that risks are identified on both a service and strategic level allowing for proper understanding of the authority's risk profile and allows for the appropriate	Important	Management Team, previously Solicitor & Monitoring Officer	Review to be undertaken with Management Forum to distinguish between operational & strategic risk and how they link with the Strategic priorities in conjunction with the risk policy above. Update: Following the departure of the Solicitor & Monitoring Officer Management Team have agreed to take on responsibility for the policy and risk register. This work has been scheduled for over the summer and will be reported to November committee.	Originally agreed by 10/06/19 Updated to 19/11/19

Summary of Actions / Responses to Internal Audit Recommendations 2018/19

	Recommendations	Priority Rating	Responsible Officer(s)	BA Response/Action	Timetable
	prioritisation of mitigation actions.				
3.	**Risk Management** A review and update of the RM page on the authority's intranet is undertaken incorporating any revised documents such as the RM policy and including relevant committee reports. This should be re-launched with staff including ascertaining feedback on the RM process and identifying any training needs at all levels across the authority. The intranet should provide clarification of what the risk appetite is and how risks, which are outside of the risk appetite, are managed. Staff being adequately informed and trained in respect of risk ensures that that correct processes are followed leading to informed decisions being made that assist in the achievement of objectives.	Needs Attention	Head of Safety Management, previously Solicitor & Monitoring Officer	Following committee approval of the revised policy and register the intranet page will be refreshed and communicated to all staff. Update: As the risk management policy and strategic risk register have been delayed this has impacted the refresh of the intranet page. This will be done after the November committee.	Originally agreed by 16/08/19 Updated to 29/11/19
4.	**Risk Management** A standard risk implications section to be introduced on the committee report template to allow for a fuller explanation of the risks. Guidance/criteria to be produced to enable authors to sufficiently assess if	Needs Attention	Head of Governance, previously Solicitor & Monitoring Officer	Agreed and partially completed. Template has been updated and is available on the intranet and the guidance will be completed by July 2019.	Originally agreed by 31/07/19 Updated to 31/01/20

Summary of Actions / Responses to Internal Audit Recommendations 2018/19

	Recommendations	Priority Rating	Responsible Officer(s)	BA Response/Action	Timetable
	there are any risk implications. Guidance to include reference to the SRR and any operational/service risks which have been identified; and the risk management policy. A fuller explanation of risks within reports will encourage a risk aware culture within the authority, and a consistent approach is applied in identifying risk implications. Referral to corporate risk documents should alert authors to risks which they may not have been aware of and reduce the risk that objectives are not achieved.			Update: Committee templates are currently being redesigned following the accessibility guidelines. New templates are being rolled out over the various committees.	
5.	**Risk Management** The 'Review of the Strategic Risk Register (SRR) reports to the Audit and Risk Committee to contain an explanation of risks that have changed from the previous SRR, including risks which have had their score reduced; risks which have been reduced to the risk appetite; and change of risk description (i.e. the GDPR risk). This should include explanation as to why certain risk scores have not	Needs Attention	Directorates, previously Solicitor & Monitoring Officer	Agreed. Audit & Risk report to provide explanation of movements at next review. Update: Once the new risk register has been agreed regular reports will provide details of changes/ movements since the last meeting	Originally agreed by 23/07/19 Updated to 19/11/19

Summary of Actions / Responses to Internal Audit Recommendations 2018/19

	Recommendations	Priority Rating	Responsible Officer(s)	BA Response/Action	Timetable
	lowered from initial risk to revised risk score despite current mitigating actions and additional actions being put in place. Providing an explanation for key changes within the committee reports mitigates the risk that the committee does not receive a full picture of the status of risks and if they are being mitigated as expected.				
6.	**Risk Management** A scoring criteria is defined for low, high and medium risks, in relation to severity/impact, for categories such as financial, reputation and service provision. A scoring criteria is also defined for low, high and medium risks in relation to likelihood, i.e. a high likelihood applies to a risk likely to happen more than once per year and a low risk is only likely to happen in 10–15 years' time. Defining the scoring categories helps assess risks more accurately and reduces the risk that that risks are not	Needs Attention	Management Team, previously Solicitor & Monitoring Officer	Agreed. Scoring criteria will be incorporated into the risk policy. Update: a new 5x5 risk matrix and guidance has been developed by Management Team. This will be incorporated into the policy currently under review.	Originally agreed by 10/06/19 Updated to 19/11/19

Summary of Actions / Responses to Internal Audit Recommendations 2018/19

Recommendations	Priority Rating	Responsible Officer(s)	BA Response/Action	Timetable
appropriately assessed and assigned proportionate mitigation actions.				

Disaster Recovery: February 2019

	Recommendations	Priority Rating	Responsible Officer(s)	BA Response/Action	Timetable
1.	**Alignment with Business Continuity Plans** The Authority to ensure that senior management are made aware that Business Continuity recovery timelines of up to 24 hours may not be achievable if such recovery has to be undertaken using the tape backups stored at the Dockyard. Formal acceptance (or otherwise) of this risk to be formally documented to support this.

Formally notifying senior management of the potential inability to support Business Continuity recovery timelines up to 24 hours where a tape restoration is required will help to ensure that the acceptance (or otherwise) of this risk is formally | Important | Head of IT & Collector of Tolls | Agreed | By 31/07/19 |

Summary of Actions / Responses to Internal Audit Recommendations 2018/19

	Recommendations	Priority Rating	Responsible Officer(s)	BA Response/Action	Timetable
	documented. Where senior management are not advised of the potential inability to support Business Continuity recovery timelines up to 24 hours, there is an increased risk that the Business Continuity plan cannot adequately support priority services.				
2.	**Backup and Recovery Capabilities** The Authority to look at options for enhancing the existing data replication service such that it covers priority services such as Finance and Tolls. Increased replication between Yare House and the Dockyard will help to ensure timely recoveries of priority services following an incident, including any incidents that render Yare House inaccessible and which would currently require a recovery from tape. Where a tape recovery is required, there is an increased risk that this would result in up to 48 hours of data needing to be re-input as part of the recovery process, given that it takes an average of 24 hours to complete a	Needs Attention	Head of IT & Collector of Tolls	Agreed	By 31/07/19

Summary of Actions / Responses to Internal Audit Recommendations 2018/19

	Recommendations	Priority Rating	Responsible Officer(s)	BA Response/Action	Timetable
	tape backup at present				
3.	**DR Testing** The authority to ensure that all DR tests are formally documented in test reports that are communicated to relevant senior management and which are used as a basis for updating DR plans with lessons learned using appropriate change control processes. The formal documentation of all DR tests into test reports will help to demonstrate that the DR facilities and processes adequately support the Authority's priority services following an incident and that any lessons learned are taken account of as updates to the processes concerned. Where DR tests are not formally documented into test reports, there is an increased risk that the DR facilities and processes cannot be shown to be adequate and that any weaknesses in the DR facilities and processes are not detected and resolved in a timely manner.	Needs Attention	Head of IT & Collector of Tolls	Agreed	By 31/07/19
4.	**DR Development for New Systems** The Authority to ensure that relevant	Needs Attention	Head of IT & Collector of	Agreed	By 31/07/19

Summary of Actions / Responses to Internal Audit Recommendations 2018/19

	Recommendations	Priority Rating	Responsible Officer(s)	BA Response/Action	Timetable
	Project Management processes are updated to include work to understand what the DR support requirements will be for any new or changed infrastructure. The inclusion of work to understand the potential DR support requirements of any new or changed systems will help to ensure that any changes to the Authority's systems are adequately support as required by the Business. Where DR requirements are not taken account of adequately in project workflows, there is an increased risk that the DR support requirements that may result from the changed infrastructure are not supported adequately following an incident.		Tolls		
5.	**Dockyard Physical Access Controls** The Authority to ensure that the server rack that contains the DR infrastructure at the Dockyard is moved to a more appropriate location within the DR facility as soon as practically possible.	Needs Attention	Head of IT & Collector of Tolls	Agreed	By 31/07/19

Summary of Actions / Responses to Internal Audit Recommendations 2018/19

Recommendations	Priority Rating	Responsible Officer(s)	BA Response/Action	Timetable
Moving the server rack to a more appropriate location will help to ensure the security of the rack and the environmental conditions within the room. If the server rack is not moved to a more appropriate position within the DR facility, there is an increased risk of security vulnerabilities caused by the removal of the side panels which has been done to facilitate the operation of the Air Conditioning unit.				

Branding: April 2019

	Recommendations	Priority Rating	Responsible Officer(s)	BA Response/Action	Timetable
1.	**Broads Authority branding - strategies, guidelines / procedures** The communications work plan be updated to include the finalisation of the local Broads National Park Branding Strategy. The work plan should also be updated to include work in relation to recommendations agreed within this audit, including branding training; update of intranet communications	Needs Attention	Head of Communications	Agreed. The work plan for 2019/20 is currently being populated and key milestones as recommended will be included within it. Partially completed: The work plan is now complete for 2019/20 with the timelines included. This has	Originally by 31/05/19 Updated to 30/09/19

Summary of Actions / Responses to Internal Audit Recommendations 2018/19

	Recommendations	Priority Rating	Responsible Officer(s)	BA Response/Action	Timetable
	page; and internal guidance/criteria in relation to the use of Broads Authority and Broads National Park logos. Currently, there is no defined timescale for completing the Broads National Park Branding Strategy. Whilst this is dependent on the completion of the national branding strategy, an estimated timescale (subject to change) would help mitigate the risk that the strategy and other key tasks are not completed in a timely manner.			been incorporated into the Directorate workplan.	
2.	**Broads Authority branding - strategies, guidelines / procedures** The Broads Authority Communications Policy be updated to include the roles and responsibilities for overseeing management of correct branding. This should be included within a separate branding section which the policy does not currently have. This should make the branding area more easily to locate within the policy and helps mitigate the risk that responsibilities for branding are unclear.	Needs Attention	Head of Communications	Agreed. Given that the National Branding guidelines which will inform the strategy are awaiting approval by the 15 National parks Chief Executives and relevant Chairs it is anticipated that this work will be completed by the Autumn of 2019	By 31/10/19

Summary of Actions / Responses to Internal Audit Recommendations 2018/19

	Recommendations	Priority Rating	Responsible Officer(s)	BA Response/Action	Timetable
3.	**Broads Authority branding - strategies, guidelines / procedures** The role of the communications team, including an introduction to the Broads Authority and Broads National Park brands, be included within the authority's induction checklist. This would raise awareness amongst staff of the role of the Communications Team and how and why the different logos apply. This should help to mitigate the inconsistent and incorrect use of branding leading to detrimental promotion of the Broads Authority and its status as a national park.	Needs Attention	Head of Communications	Agreed. Whilst this work will be closely linked to the strategy to be completed by the Autumn of 2019 it is recognised that in the meantime this gap in the induction checklist should be addressed. Therefore we will implement the change immediately and adjust the content of the training once the strategy is completed. Completed.	By 30/04/19
4.	**Broads Authority branding - use of the Broads Authority logo** Guidance be produced for staff which covers the criteria for applying either the Broads Authority or Broads National Park logo, or when both logos are applicable. This guidance should include reference to partnership and project work, and the approach to take when applying logos of both the project, the Broads Authority and the Broads	Needs Attention	Head of Communications	Agreed. The guidance will be produced in conjunction with the strategy, guidelines and procedures	By 31/10/19

Summary of Actions / Responses to Internal Audit Recommendations 2018/19

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	National Park logo. Reference should be made to the Broads National Park Brand Standards and the Broad's National Park branding strategy where applicable. It would be good practice to include examples of logo application for different circumstances from promotional flyers and training programmes to more formal documents. Furthermore, this document should make clear the formal process to go through when branding documents, i.e. consultations with the communications team. Clear guidance should provide clarity over the application of the different logos, reducing the risk that inconsistent and incorrect logos are applied leading to ambiguity and inadequate promotion of the area as a national park.				
5.	**Broads Authority branding - use of the Broads Authority logo** A review and update of the communications page on the	Needs Attention	Head of Communications	Agreed. The intranet content will be produced in conjunction with the strategy, guidelines and	By 31/10/19

Summary of Actions / Responses to Internal Audit Recommendations 2018/19

	Recommendations	Priority Rating	Responsible Officer(s)	BA Response/Action	Timetable
	authority's intranet be undertaken once the national Parks branding strategy and associated documents, including the local broads national park strategy and Broads Authority Communications Policy, are finalised. This should be re-launched with staff including the provision of staff and member training in relation to branding, incorporating the use of both the Broads Authority logo and Broads National Parks logo. The communications intranet page should include the communications team details; branding strategies and communications policy; and the Broads Authority New Signs guide. Staff being adequately informed and trained in respect of branding mitigates the risk that incorrect processes are followed leading to inconsistent and/or incorrect branding being applied that affects the achievement of branding objectives.			procedures.	
6.	**Broads Authority branding - use of the Broads Authority logo** The Broads Authority website be updated to include a statement that	Needs Attention	Communications Officer (Digital)	Agreed. This was implemented immediately. Completed.	By 30/04/19

Summary of Actions / Responses to Internal Audit Recommendations 2018/19

Recommendations	Priority Rating	Responsible Officer(s)	BA Response/Action	Timetable
copying and use of the Broads Authority logo is not permitted without prior approval from the Communications Team. Notification to third parties will help to ensure that the logo is used appropriately, reinforcing the message of a strong identity for the Council to its residents. Failure to specify the requirements for use of the Broads Authority logo increases the risk that it is used inappropriately by third parties.				