

Report to: **Audit and Governance Committee**

Date: **28 September 2023**

Title: **Internal Audit Recommendations Tracker**

Portfolio Area: **Councillor Julian Brazil**
Leader South Hams District Council

Wards Affected: **All**

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Recommendations:

That the Audit and Governance Committee note the progress against implementation of Internal Audit Recommendations as set out in this report.

1. Executive summary

- 1.1 The Council's Internal Audit team carry out a planned programme of audits to inform business development and ensure compliance with policy and procedure.
- 1.2 A key part of each audit is the making of recommendations and identification of opportunities. These are considered by relevant managers and, where agreed, implementation timescales are set out in the final audit.
- 1.3 This report sets out an update on progress against Internal Audit recommendations since 2021.

2. Background

- 2.1 Since 2021, 378 High, Medium, or Low recommendations made by Internal Audit have been due for completion.
- 2.2 The Council has assessed progress against those recommendations and set the results out in this report.
- 2.3 It should be noted that management of the Internal Audit tracker and progress against recommendations is now carried out by the Councils Performance Board, consisting of Director of Customer Services Delivery, Director of Strategy and Governance, Assistant

Director Strategy, and the Head of Customer Services & Improvement. This board has been in place since late 2022 to drive organisational performance and risk management.

2.4 The tracker is a detailed Excel spreadsheet that requires Heads of Service to provide updates on recommendations under the following headings:-

- Complete – action complete as agreed or closed due to no longer being required (for example a recommendation that is no longer relevant due to changes to process or systems).
- In progress – work is underway to implement but not fully complete.
- Not yet started.

2.5 While recommendations can be made and indicative timescales given, these can be required to move due to operational priorities. Decisions and this are made by Directors and Heads of Service on a risk basis.

2.6 The following table sets out the status of recommendations made by the Internal Audit team since 2021 and the priority of the recommendation (High / Medium/ Low). It also includes details on those 'High' priority recommendations that are overdue.

2.7 Target Implementation Year: - 2021

Total recommendations due for completion during the year:- 181

Priority	Completed	In Progress	Not Started	Total
High	22	2		24
Medium	107	33		140
Low	14	3		17
Total	143	38		181
%	79%	21%		100%

The recommendations that are still '**In Progress**' with '**High**' Priority are as follows:-

2.7.1 Health & Safety: Consideration should be given to the level of staff resource available to deliver the health and safety function, including the Councils' response to the Covid-19 pandemic, and whether this is sustainable in terms of staff welfare, as well as meeting the Councils' aspirations with respect to health and safety. **Update September 2023**: – Health and Safety capacity is kept under continual review with a cross-department network of officers working to ensure we operate safely.

2.7.2 Insurance: Consideration should be given to seeking advice from an impartial external consultant, or another local authority which has in-house insurance expertise, to assist in a review of the type and value of insurance cover held by each of SHDC and WDBC. **Update September 2023**: – We are continually reviewing the insurance cover in place and update as required. The Council continues to

access the services of an insurance broker and will seek specialist advice where required during the retendering for insurance (due for December 2024)

2.8 Target Implementation Year: - 2022

Total recommendations due for completion during the year: - 170

Priority	Completed	In Progress	Not Started	Total
High	31	14	3	48
Medium	65	30	2	97
Low	17	6	2	25
Total	113	50	7	170
%	67%	29%	4%	100%

The recommendations that have '**Not Started**' and given a '**High**' priority are as follows:-

- 2.8.1 Council Tax: The new enforcement agent contract should allow for monitoring of the performance of the appointed company, to ensure that an effective service is received. **Update September 2023**: - Will be incorporated into individual objectives following the letting of the new enforcement agent's contract.
- 2.8.2 Creditors: The publication of planning notices should be carried out in line with Contract Procedure Rules, with the advice and assistance of the Procurement Officer. **Update September 2023**: - To be considered as part of the review of publicity of applications.
- 2.8.3 Debtors: It should be ensured that managers are aware of the need to take legal action promptly, for those debts which are of sufficient value to warrant being pursued through the courts. **Update September 2023**: - we continue to take steps to increase the capacity within the Legal team to progress this action with priority on higher value debts.

The recommendations that are still '**In Progress**' and with a '**High**' priority are as follows:-

- 2.8.4 Council Tax: The new enforcement agent contract should allow for monitoring of the performance of the appointed company, to ensure that an effective service is received. **Update September 2023**: - This will be included in the contract retender.

- 2.8.5 Business Rates: We support the intention to tender a new enforcement agent contract, encompassing the additional services identified as being available from some enforcement agents. Update **September 2023:- Ongoing**
- 2.8.6 Business Rates: As part of the detailed review of revenues recovery, opportunities for proactive enforcement, and the resources to undertake this, should be identified. **Update September 2023:-** This is being addressed through the current Revenues and Benefits service review.
- 2.8.7 Council Tax: As part of the detailed review of revenues recovery to be made the most effective means of undertaking manual reviews should be considered and whether any can be automated. **Update September 2023:-** This is being addressed through the new Revenues and Benefits Structure implementation.
- 2.8.8 Council Tax: We support the intention to review and update the Corporate Debt Policy, at which time those points raised above should be considered. **Update September 2023:-** In progress with a corporate debt policy being developed during 2023/24.
- 2.8.9 Creditors: Procurement of specialist agricultural planning advice. **Update September 2023:-** There is a limited market for this advice and while the intention is still to carry out a procurement, it is unlikely to result in a significantly different outcome to the current provision.
- 2.8.10 Dartmouth Lower Ferry:- To provide additional controls, the Head of Maritime (CSS) should ensure that two people are involved in the counting and reconciliation of the cash and banking. **Update September 2023:-** Due to the part time operation of staff, this has been difficult to implement. The alternative would be to look at increasing some posts to full time to cover this. As a mitigation, as suggested by Audit, regular reconciliations are undertaken.
- 2.8.11 Dartmouth Lower Ferry:- As we have previously reported, the Head of Maritime (CSS) should contact the eHarbour company with regard to enabling the addition of recording 'error' transactions onto the eHarbour system, against individual operatives, prior to the completion of the daily Bank Report. **Update September 2023:-** We have requested this from the

software provider but the functionality isn't available with the system. We will continue to raise this to them.

- 2.8.12 Dartmouth Lower Ferry:- The Team Leader Dartmouth Ferry (LT) should ensure that there is a report from the eHarbour system that provides information on the Saver Travel Pass income sold in advance. **Update September 2023:-** We continue to work with the software provider on this matter. This recommendation is however no somewhat out of date as we have a better understanding of the upfront payments now that the self-service portal is up and running.
- 2.8.13 Debtors:- The amount of staff resource available for debt recovery should be reviewed, to ensure that this is sufficient to allow recovery to take place on a timely basis across all values and types of debt, helping reduce the amount of aged debt and to allow all available recovery options to be utilised. **Update September 2023:-** The principal accountant will oversee this, and the intention is for a new Corporate Debt policy and enforcement agent contract to be in place during 2023.
- 2.8.14 Debtors:- It should be ensured that there is sufficient staff resource available to allow the timely recovery of sundry debts, to avoid the otherwise seemingly inexplicable delays in progressing recovery action, such as in some of the cases we reviewed. **Update September 2023:-** The Principal Accountant who has responsibility for Sundry Debt, is new in post, and has taken further steps on the recovery of sundry debts with the relevant departments. The Head of Finance and the Head of Revenues and Benefits will oversee this work. The intention is for a new Corporate Debt policy and enforcement agent contract to be in place during 2023.
- 2.8.15 Debtors:- We support the intention to ensure that all officers are using the web-based version of Civica Financials, including seeking training for officers from the software supplier. **Update September 2023:-** The Head of Finance in conjunction with the Head of Revenues and Benefits will oversee this. Finance team members have received training from Civica however it is considered that the 'web' version is not currently user friendly for the wider organisation. Work continues with the software provider to address this, and training will be rolled out in 2024. Budget holders still have access to manage budgets via the non-web version.

- 2.8.16 Housing Benefit:- A programme of quality checks, reviewing the accuracy of the Benefits Assessors' work, should be re-introduced as soon as possible. **Update September 2023:-** The PMQA module is went live in June 2023 and a Quality Assurance and Training Officer post is proposed in the new structure.
- 2.8.17 Grounds Maintenance:- The prioritisation of the work delivered by the Property and Ground Maintenance teams should be primarily guided by the Assets strategy, to ensure that the strategic objectives and priorities of the wider Assets service are met. **Update September 2023:-** We are currently developing an updated Asset Management Strategy which will address this. Scheduled for consideration by Executive in November 2023.

2.9 Target Implementation Year: - 2023 (up to June 2023)

Total recommendations due for implementation:- 27

Priority	Completed	In Progress	Not Started	Total
High	1	7		8
Medium	7	9	2	18
Low		1		1
Total	8	17	2	27
%	30%	63%	7%	100%

The recommendations that are still '**In Progress**' due for completion by June 2023 and with a '**High**' Priority are as follows:-

- 2.9.1 Business Rates:- We support the intention to require customers with a business rates account to provide evidence of their ownership or tenancy of a premises, in order that the correct legal liable party is billed for business rates and allowing any potential future recovery to be undertaken correctly. **Update September 2023:-** Being implemented into new procedures and training for the team.
- 2.9.2 Business Rates:- Regular, targeted reviews should be implemented for those reliefs and exemptions where there is the greatest risk of the Councils not being informed of changes. We support the work commenced by the Revenues team with respect to this. **Update September 2023:-** Annual timetable for reviews commenced May 2023.

- 2.9.3 Business Rates:- We support the intention to make a detailed review of the revenues recovery and enforcement procedures. **Update September 2023**:- Partially implemented and will be fully addressed through the Revenues and Benefits Service review.
- 2.9.4 Business Rates:- We support the intention to make a detailed review of the revenues recovery and enforcement procedures. **Update September 2023**:- This will be addressed through the current Revenues and Benefits Service review.
- 2.9.5 Council Tax:- Regular, targeted reviews should be made of those discounts and exemptions where there is the greatest risk of the Councils not being informed of changes. **Update September 2023**:- This will be included in the 2023/24 service plan update for Revenues and Benefits.
- 2.9.6 Council Tax:- The recommendations with respect to introducing more efficient or alternative HBOP recovery methods, should be built into procedures and used to best effect. **Update September 2023**:- This will be picked up as part of a suite of measures reviewing the recovery of OBHP.
- 2.9.7 Property Maintenance:- A Property Maintenance Strategy should be put in place, which is informed by the Councils' corporate priorities and strategic themes, as well as building condition and legislative requirements. The Strategy should be supported by a Policy to guide those responsible for its delivery. **Update September 2023**:- This will form part of the updated Asset Management Strategy considered by the Executive in November 2023.

3. Proposal and Next Steps

- 3.1 Overall, since 2021, 70% of the recommendations made have been completed with a further 28% in progress. All Internal Audit recommendations will continue to be monitored by the Performance Board and managed to completion by the relevant Director and Head of Service.
- 3.2 It is recommended that the Audit & Governance Committee note progress against the Internal Audit recommendations tracker and request a further update in six months' time to monitor progress against the above progress.

4. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	The Internal Audit function is important to advising Managers on compliance and improvement opportunities and therefore an important aspect of the Councils overall governance framework.
Financial implications to include reference to value for money.	Y	Ensuring recommendations are implemented is important to ensuring value for money and compliance in delivering our services.
Risk	Y	Ensuring audit recommendations are implemented is important to managing overall risk to the Council and its services
Supporting Corporate Strategy	Y	Council Services
Consultation & Engagement Strategy	N	
Climate Change - Carbon / Biodiversity Impact	N	
Comprehensive Impact Assessment Implications		
Equality and Diversity	NA	
Safeguarding	NA	
Community Safety, Crime and Disorder	NA	
Health, Safety and Wellbeing	NA	
Other implications	NA	

Supporting Information

Appendices:

None

Background Papers:

None