

Report to: **Audit and Governance Committee**
Date: **28 March 2024**
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 update 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 the previous update in September 2023.

2. Background

- 2.1 Since 2021, 486 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 Service 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

Note that the figures as at the previous report are shown as (xx)

Priority	Completed	In Progress	Not Started	Total
High	24	0 (2)		24
Medium	128 (107)	12 (33)		140
Low	16 (14)	1 (3)		17
Total	168 (143)	13 (38)		181
%	93% (79%)	7% (21%)		100%

There are no longer any high priority recommendations remaining in progress. The focus is now on closing the Medium priority recommendations.

2.8 Target Implementation Year: - 2022

Total recommendations due for completion during the year:- 170

Note that the figures as at the previous report are shown as (xx)

Priority	Completed	In Progress	Not Started	Total
High	42 (31)	6 (14)	0 (3)	48
Medium	74 (65)	23 (30)	0 (2)	97
Low	23 (17)	1 (6)	1 (2)	25
Total	139 (113)	30 (50)	1 (7)	170
%	82% (67%)	17% (29%)	1% (4%)	100%

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

- 2.8.1 Creditors: The provision of agricultural planning advice should be procured in line with Contract Procedure Rules. **Update March 2024**
- 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.
- 2.8.2 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 March 2024** :- we continue to take steps to increase the capacity within the Legal team to progress this action with priority on higher value debts.
- 2.8.3 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 March 2024:-** 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.
- 2.8.4 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 March 2024:-** 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.

2.8.5 Business Rates 2021/22:- We support the intention to commence procurement for a new Enforcement Agent Contract. **Update March 2024:-** Procurement will commence by the end of March.

2.8.6 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 March 2024:-** We are currently developing an updated Asset Management Strategy which will address this later this year.

2.9 Target Implementation Year: - 2023

Total recommendations due for implementation:- 135

Note that the figures as at the previous report are shown as (xx)

Priority	Completed	In Progress	Not Started	Total
High	10 (1)	3 (3)		13
Medium	40 (7)	25 (9)	0 (2)	65
Low	24 (0)	33 (0)		57
Total	74	61	0	135
%	55% (30%)	45% (63%)	0% (7%)	100%

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

2.9.1 Housing Benefits – Introduction of more efficient or alternative Housing Benefit Overpayment should be considered. **Update March 2024** – this is considered as part of the Enforcement Agents Contract retender due to commence before the end of March 2024.

2.9.2 Building Maintenance (Follow-up) A property maintenance strategy should be put in place which is informed by the Councils strategic priorities and themes as well as building condition and legislative requirements. **Update March 2024** - We're reviewing our in house depot services to ensure they are aligned and resourced to provide ongoing maintenance. In

parallel, we have reviewed the processes by which our estate is managed and maintenance items are catalogued, which is informing the depot structure, skill set and capacity. This work will culminate in the Head of Land and Property encapsulating into an updated Asset Management Plan for adoption this year.

2.9.3 SHWD Markets. A review should be undertaken of all traders public liability insurance to ensure suitable cover is in place. Update **March 2024:-** We continue to check the Public Liability of Market traders and are developing an online system to capture this upfront when traders book. In the meantime we continue to check with traders that they have suitable insurance.

3. Proposal and Next Steps

- 3.1 Overall, since 2021, 78% of the recommendations made have been completed with a further 21% 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