

Report to: **Audit and Governance Committee**
Date: **19 March 2024**
Title: **Internal Audit Recommendations Tracker**
Portfolio Area: **Councillor Chris Edmonds
Lead Member Resources**
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 the last update to this committee in October 2023.

2. Background

- 2.1 Since 2021, 445 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 progress is set 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 often be required to move due to operational priorities. Decisions on 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 still in progress.
- 2.7 Since the last update to this committee, the focus has been on ensuring progress made in implementing recommendations rated as 'High Priority'. Positive progress has been made with 89% of High Priority recommendations now implemented (vs 64% in the October update).

2.8 Target Implementation Year: - 2021

Total recommendations due for completion during the year:- 174

The figures from the previous A&G report in October are included for reference. These are included in the table as (xx).

Priority	Completed	In Progress	Not Started	Total
High	(20) 22	(2) 0		22
Medium	(105) 112	(30) 23		135
Low	(14) 15	(3) 2		17
Total	(139) 149	(35) 25		174
%	86%	14%		100%

There are no high priority actions remaining in progress following a focused effort on addressing these since the last update

2.9 Target Implementation Year: - 2022

Total recommendations due for completion during the year:- 151
The figures from the previous A&G report in October are included for reference. These are included in the table as (xx).

Priority	Completed	In Progress	Not Started	Total
High	(29) 36	(11) 7	(3) 0	43
Medium	(61) 70	(30) 22	(2) 1	93
Low	(10) 13	(3) 0	(0) 2	15
Total	(100) 119	(44) 29	(7) 3	151
%	79%	19%	2%	100%

The seven recommendations that remain 'In Progress' and given a 'High' priority are as follows:-

- 2.9.1 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:-** Capacity within the legal team remains a challenge and we continue to take steps to increase the capacity within the team to progress this action with focus being on higher value debts. Revised completion date – ongoing attempt to increase legal team capacity.
- 2.9.2 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 March 2024:-** this is included in the role profile of the Senior Revenues and Recovery Officer and the Senior Business Rates and Inspections Officer. Revised completion:- will be delivered through new contract (see 2.9.3 below)
- 2.9.3 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 March 2024:-** Invitation to Tender will be published by 31 March 2024.

- 2.9.4 Creditors: Procurement of specialist agricultural planning advice. **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. Revised completion date – December 2024.
- 2.9.5 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 March 2024:-** The principal accountant will oversee this, and the new Corporate Debt policy was agreed by the Hub Committee in January 2024. As set out above the intention is for procurement of a new enforcement agent contract to be commenced by end of March. Revised completion date –31 March 2024.
- 2.9.6 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:-** We are developing the project plan to upgrade to the latest 'UX' version which appears to be a lot more user friendly - this will be the team's main priority (along with archiving) after 2023/24 Closedown - the risks around the delay in implementation have been discussed with Civica and SLT. Revised completion – September 2024.
- 2.9.7 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 have appointed a new Head of Community Services who is currently reviewing the service and we are developing an updated Asset Management Strategy which will address this. Revised completion – **31 March 2024.**

2.10 Target Implementation Year: - 2023

Total recommendations due for implementation:- 120

The figures from the previous A&G report in October are included for reference. These are included in the table as (xx).

Priority	Completed	In Progress	Not Started	Total
High	(1) 11	(6) 1	(0) 0	12
Medium	(6) 39	(9) 24	(2) 0	63
Low	23	(1) 22		45
Total	(7) 73	(16) 47	(2) 0	120
%	61%	39%	0%	100%

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

2.10.1 Building 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 March 2024:-** Now that the Council has agreed its strategic priorities, updated Property Maintenance Strategy and Policies are being prepared – aim for these to be drafted for June 2024

3. Proposal and Next Steps

- 3.1 Overall, since 2021, 76% of the recommendations made have been completed with a further 23% 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 The Council Plan	Y	Performance and Resources
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	
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Supporting Information

Appendices:

None

Background Papers:

Audit and Governance Committee 10th October 2023

<https://mg.swdevon.gov.uk/documents/s30875/Internal%20Audit%20Recommendations%20Tracker.pdf>