

# INTERNAL AUDIT FOLLOW UP OF RECOMMENDATIONS REPORT

MALDON DISTRICT COUNCIL

NOVEMBER 2019

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**IBDO**



18/19. Fraud Risk Assessment

18/19. Budgets and Performance Management

18/19. Main Financial Systems

18/19. Safe and Clean Environment

18/19. Transformation Programme

18/19. Local Development Plan

18/19. Building Control

2019/20

Total Recs	H	M	L	To follow up
3	-	3	-	3
7	-	7	-	7
10	-	10	-	10



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# Summary

We regularly follow up progress with the implementation of recommendations raised by Internal Audit and we report to the Performance, Governance & Audit Committee. We request commentary by responsible officers on the progress towards implementation of our recommendations and for high and medium priority recommendations we verify the progress to source evidence and conclude either that the recommendation is complete or incomplete. This report represents the status of all internal audit recommendations as at 6 November 2019.

## 2016/17 Recommendations

Of the remaining 21 recommendations, we note:

- 12 recommendations have been previously reported as implemented
- A further 9 are overdue relating to the audit of Channel Shift (6 recommendations) and Flooding (2 recommendations) and Planning (1 recommendation). These recommendations will be implemented under the Future Council Model.
- Four recommendations\* are reported as completed as these are no longer applicable to the Council (Information Governance PCI/DSS)

## 2017/18 Recommendations

21 medium recommendations were raised in 2017/18. The current position of these recommendations is as follows:

- 15 are considered implemented relating to Economic Development, Partnership Working, Procurement & Contract Procurement Management and Purchasing, Business Resilience and Disaster Recovery, Attendance Management, Elections improvement Plan.
- 5\* (medium priority) relating to Disaster Recovery and Business Continuity which have been superseded by the IT Disaster Recovery audit which was undertaken in October 2019, with the resulting report scheduled to be presented at the next Committee.
- 1 medium recommendation relating to Economic Development has a revised implementation date which is not yet due (reliant on Brexit timeframes)

## 2018/19 Recommendations

3 high and 13 medium recommendations have been raised in 2018/19. The current position of these recommendations is as follows:

- 4 are considered implemented as previously reported relating to Budgets and Performance Management (1 recommendation), Main financial Systems (1 recommendation) and Safe and Clean Environment (2 recommendations)
- Safe & Clean Environment (1 recommendation) is now implemented
- 1 is in progress relating to Fraud Risk Assessment
- The below recommendations are not yet due for follow up:
  - Safe and Clean Environment (2 recommendations)
  - Local Development Plan (2 recommendations)
  - Building Control- (5 recommendations)
  - Transformation Programme (1 recommendation)

## 2019/20 Recommendations

10 recommendations have been raised in 2019/20.

- GDPR Compliance- 3 medium recommendations which are not due yet
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- Risk Maturity Assessment—7 medium recommendations which are not yet due for follow up

# Recommendations: Completed

RECOMMENDATION MADE	PRIORITY LEVEL	MANAGER RESPONSIBLE	DUE DATE	CURRENT PROGRESS
2018/19- Safe and Clean Environment				
<p>a)The Council should work with the contractor to determine the monitoring and performance targets to be implemented which are commensurate with the risk and value of the contract.</p> <p>Monitoring should then be undertaken on a set periodic basis, with monitoring reports provided by the contractor to enable an assessment of performance against predetermined targets. Any performance below target should result in an action plan being put in place by the contractor to enable them to meet the Council's expectations</p>	Medium	Carol Love - Waste and Street Scene Manager	<p><del>11 January 2019</del></p> <p>July 2019</p>	<p>a)This contract is currently considered to be a low risk by the council, this is evidenced by the lack of complaints by the public and parish councils also the Community Protection Officers visually monitor the district on a daily basis. If the levels of cleanliness of the district should begin to drop then resources will be applied to monitoring and maintaining standards.</p> <p>The contractors for Street Cleansing have carried out the service for many years and the level of performance during that time has been consistently high. All flytipping and complaints are dealt with quickly and within expected timescales. Although no programmed monitoring is currently undertaken due to resources it is recognised that this should be implemented and this is included in this year's Business Plan.</p> <p>Internal audit confirmed that soft market testing has been undertaken to ensure the Council is getting value for money. If confirmed the SLA with the contractors will be updated to include these indicators.</p> <p>b) Regular contract meetings are now programmed in for Street Cleansing and these will be minuted.</p> <p>A programme of monitoring has been devised with the Senior Community Protection Officer as part of the new transformation that the Council is going through which started 30 October 2019.</p>

# Recommendations: In Progress

RECOMMENDATION MADE	PRIORITY LEVEL	MANAGER RESPONSIBLE	DUE DATE	CURRENT PROGRESS
2018/19- Fraud Risk Assessment				
The Council should commission external resource to develop the risk assessment further and carry out an annual programme of work to address risks around fraud and corruption.		Kamal Mehta	<del>1 May 2019</del> December 2019	<p>The October PGA considered the report of the Interim Section 151 Officer seeking Members' consideration of the Council's Internal Auditors review of the Council's Fraud Risk Assessment Process and awareness of fraud risk across the organisation.</p> <p>It was noted that having considered the findings of the Internal Audit Fraud Risk Assessment - Advisory, the Finance and Corporate Services Committee, at its last meeting, resolved that an update on the progress of work in respect of the Internal Audit recommendation be brought to a meeting of the Performance, Governance and Audit Committee.</p> <p>The Interim Section 151 Officer provided an update on the work he had been doing in relation to the recommendations and in response to questions outlined the training which would be provided to both Officers and Members in respect of fraud prevention and ensuring checks and controls were in place.</p> <p>A debate ensued and in response to questions the Interim Section 151 Officer advised that according to the Council's Constitution the ultimate responsibility for ensuring fraud and corruption sat with the Monitoring Officer and Section 151 Officer who would work together to take appropriate action or implement procedures. However as part of the new Council structure it was suggested that an individual officer should be charged with ensuring messages were going out and that regular assessments were taking place.</p>

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		<p>Members were advised that the recommendations identified in the Fraud Risk Assessment were addressed in the report and it was confirmed that this Committee would receive a subsequent report which would report on the execution of the recommendations.</p> <p>The Committee noted the Interim Section 151 Officer's approach and his views and advice on ensuring that the corporate anti-fraud activities and awareness together with the appropriate processes and policies are all linked together and embedded into the normal operational working of the Council and that the ownership and accountability for the exercise of the function is identified in an individual role;</p> <p>In view of the current ongoing structure change in the Council, the findings and recommendations of the Advisory Report be implemented in full by December 2019 with a combination of in-house resources and tailored external support from BDO the balance of activities between the two to be determined by the Corporate Leadership Team; and that the responsibility and accountability and hence the ownership for corporate fraud prevention function overall within the Council is clearly defined to an individual resource to lead on.</p>
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# Recommendations: Not due

RECOMMENDATION MADE	PRIORITY LEVEL	MANAGER RESPONSIBLE	DUE DATE	CURRENT PROGRESS
2019/20- GDPR Compliance				
<p>a) All data sources and corresponding applications should be reviewed on at least an annual basis to ensure access risks, security measures and general changes are updated and managed.</p> <p>b) Management should consider holding an induction session with all assigned data owners following the staff restructure to ensure responsibilities are understood.</p>	Medium	Emma Holmes	<p><del>31 October 2019</del></p> <p>a) December 2019</p> <p>b) March 2020</p>	<p>The audit report although signed off at the Audit Committee had limited management responses to the recommendations and did not take into account the transformation programme of the Council in determining appropriate responses and deadlines.</p> <p>The revised timeframes takes into account the new structure coming into place on the 30th October and working with new Tier 2 managers, the last of which will be in post in a few weeks and appropriate timelines in relation to this.</p>
Information Governance Group should provide oversight and ensure contractual addendums are agreed as soon as possible where necessary by responsible management (i.e. contract owners).	Medium	Emma Holmes	<p><del>30 September 2019</del></p> <p>1. Ongoing</p> <p>2. Interim Target 80% completed by August 2020, 100% completed by March 2021</p>	<p>The audit report although signed off at the Audit Committee had limited management responses to the recommendations and did not take into account the transformation programme of the Council in determining appropriate responses and deadlines.</p> <p>The revised timeframes takes into account the new structure coming into place on the 30th October and working with new Tier 2 managers, the last of which will be in post in a few weeks and appropriate timelines in relation to this.</p> <p>In regards to this recommendation:</p> <ol style="list-style-type: none"> <li>The Council plans to arrange quarterly meetings of the Information Management Group where we can prioritise assessments to be completed.</li> <li>New Data Owners will need to review these. Due to the potential time this will take the Council intends to complete these over a long period.</li> </ol>



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