**Report of Corporate Assurance Manager**

**To**

**GOVERNANCE AND STANDARDS COMMITTEE**

**On**

**14 July, 2021**

# **UPDATE REPORT ON THE IMPLEMENTATION OF INTERNAL AUDIT RECOMMENDATIONS FOR THE PERIOD 1 DECEMBER 2019 – 30 JUNE 2021**

##### **SUMMARY**

* 1. This report informs Members of the current position regarding the implementation of agreed actions from work undertaken by Internal Audit during the period from 1 December 2019 to 30 June 2021.

1.2 Although, the last report presented to the Governance and Standards Committee in respect of the implementation of Internal Audit recommendations was on 24 January 2020, there have not been any recommendations made in Internal Audit planned reviews since that date that required following up. This reflects the impact of the Covid-19 pandemic upon the number of reviews carried out by Internal Audit during 2020/2021.

#### **2 RECOMMENDATION**

i) That the report findings be noted.

#### **3 BACKGROUND**

3.1 During the period 1 December 2019 – 30 June 2021, Internal Audit completed 6 reviews, with no areas for improvement being identified.

3.2 However, Internal Audit did issue its findings from the Special Investigation – Town Centre Income Discrepancies during this period and the current position in respect of implementing the agreed actions is detailed in Table 1.

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| --- | --- | --- | --- | --- |
| Table 1 – Position Statement | | | | |
| Title | Risk Factor | Recommendation / Agreed Action | Agreed Implementation Date | Current Position as at 1 July 2021 |
| Special Investigation – Town Centre Income Discrepancies | High | The CCTV camera monitoring the cash counting area needs to be checked daily to ensure it is working and covering the area required | 31 December 2020 | No longer applicable - Under the new working practices two people (not involved in the cash collection) will now be counting cash. This means the CCTV monitoring has become superfluous |
| Special Investigation – Town Centre Income Discrepancies | High | Consider all options in respect of delivering the counting of car park monies in order to more effectively mitigate the inherent risks involved in processing large volumes of cash | 31 March 2021 | Due to the impact of the Covid-19 pandemic there has only been minimal progress to date.  Revised Target Date: 31 December 2021 |
| Special Investigation – Town Centre Income Discrepancies | High | To mitigate the inexperience of officers new to the counting process ensure adequate support/training is provided | 31 December 2020 | Implemented - Training is now being given to a number of two person teams to enhance the resilience of the service and ensure there is a pool of staff fully trained on the counting process |

#### **4 OPTIONS AVAILABLE**

#### 4.1 The report is for noting only.

**5** **RISK ASSESSMENT OF RECOMMENDATIONS AND OPTIONS**

|  |  |  |  |
| --- | --- | --- | --- |
| **Risk** | **Risk Assessment** | **Risk Level** | **Risk Management** |
| Legal | There is no legal risk | Low | - |
| Financial | There is a financial risk if agreed Internal Audit recommendations are not fully implemented | Medium | There is a recommendation that has not been fully implemented in accordance with the agreed timescales |
| Reputation | There is a reputational risk if agreed Internal Audit recommendations are not fully implemented | Medium | There is a recommendation that has not been fully implemented in accordance with the agreed timescales |

#### **6 ALIGNMENT TO COUNCIL PRIORITIES**

6.1 The need to maintain an effective Internal Audit Service is fundamental to any Council as it endeavours to achieve its priorities and the need to implement its recommendations is a key factor in it providing an effective service.

#### **7 IMPLICATIONS**

(a) Relevant Legislation

Regulation 5 of the Accounts and Audit Regulations 2015 specifically requires that a relevant body must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance

(b) Human Rights

The Human Rights Act 1998 is not engaged as no particular individual is directly affected by the decision

(c) Equality and Diversity

An initial impact assessment has been completed and it concludes that the proposed actions are fair and equitable in their content and are not discriminative on the grounds of equality and human rights

(d) Climate change and environmental sustainability

The proposed actions in the report do not have any environmental implications and have no effect on the climate

(e) Crime and Disorder

There are no implications for crime and disorder

(f) Budget/Resource

There are no implications

**8** **COMMENTS OF STATUTORY OFFICERS**

Monitoring Officer – No specific comments.

Section 151 Officer – No specific comments

**9 CONSULTATION**

9.1 No further consultation has taken place

**10 BACKGROUND PAPERS**

None

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