

REPORT TO:		Audit Committee	
DATE:		30 November 2020	
PORTFOLIO:		Cllr Joyce Plummer - Resources	
REPORT AUTHOR:		Mark Beard – Head of Audit & Investigations	
TITLE OF REPORT:		AUDIT FOLLOW-UPS REPORT FOR THE PERIOD March 2020 - November 2020	
EXEMPT REPORT (Local Government Act 1972, Schedule 12A)	Options	Not applicable	
KEY DECISION:	Options	If yes, date of publication:	n/a

1. Purpose of Report

- 1.1 To inform members of the outcome of routine follow-ups following the previously agreed action plans for completed Audit Reports. The follow-ups detailed within this report are those carried out during the period March 2020 - November 2020.

2. Recommendations

- 2.1 I recommend that Audit Committee:
- notes the content of this report for informational purposes.

3. Reasons for Recommendations and Background

- 3.1 This report covers the period March 2020 - November 2020 details of the follow-ups carried out shown at Appendix 1.
- 3.2 Following the agreement of the recommendations between Management and Internal Audit following the completion of the audit assignment, the area is revisited by Internal Audit and the recommendations are reviewed to ensure they have been implemented as agreed. This process is known as the 'Follow-Up'.
- 3.3 Internal Audit assesses the current position to what was agreed at the end of the audit. Where no action has been taken by the Service Area, then Internal Audit will question why and issue a revised Action Plan. Part of the control within this process is consideration by Audit Committee of any issues that arise. The Committee has the ability to ask questions of Management in the relative service areas why they have not acted upon the agreed Action Plan. The Committee can also express what its expectations would be with regard to such a problem occurring.

- 3.4 Internal Audit aim to carry out a Follow Up for each completed audit area within 6 months of completion. However there are a number of exceptions to that aim:-
- i.) Follow-Up in 6 months would be pointless if the recommendations are low enough priority to allow a longer time frame.
 - ii.) Work of the Audit Team does not allow the Follow-Up to be carried out. Although Follow Ups are an important part of the process the Head of Audit & Investigations must always weigh this against the need for achieving the Audit Plan and auditing the risks the Council faces.
 - iii.) There were no recommendations arising from the original audit.

4. Alternative Options considered and Reasons for Rejection

- 4.1 Not applicable as the report is for informational purposes only

5. Consultations

- 5.1 No consultations required as this report is based on data and information held by the audit team based on the work completed

6. Implications

Financial implications (including any future financial commitments for the Council)	There are no financial implications arising from this report
Legal and human rights implications	There are legal or human rights implications arising from this report.
Assessment of risk	Risks are taken into consideration during the audit process itself, there is no direct risk implication from this report.
Equality and diversity implications <i>A Customer First Analysis should be completed in relation to policy decisions and should be attached as an appendix to the report.</i>	This report is produced for information awareness of the progress of the Audit Team in terms of following up on actions previously agreed for implementation at the end of an audit assignment. Whilst individual actions may occasionally have equality or diversity requirements, this report does not as it is presenting facts from other sources.

7. Local Government (Access to Information) Act 1985: List of Background Papers

- 7.1 No background papers were necessary for the preparation of this report.

APPENDIX 1

AUDIT COMMITTEE – 30 November 2020

Follow-Ups March 2020 - November 2020

Follow-Ups Carried Out

Issues arising from follow-up

- The table below shows an analysis of the results of the above Follow-Up work having taken place:-

Audit Area	No. of Actions Agreed as Reported	No. of Actions Agreed Implemented	Comments
Cloud Storage & Server Room Security	3	3	Implemented - The contract for the ongoing cloud storage will be finalised by 30 November 2020. Implemented - To ensure Council data is secure if the contract was terminated, the company confirmed that the Council has 20TB of cloud storage until 20/11/2021; the subscription will need to be reviewed prior to this date. If this date passes then the Authority will be able to access the account for up to one month and the data would be stored for 2 additional months prior to it being permanently deleted. Implemented - The risk register has been updated to incorporate cloud storage and the access to HBC data in the event of a change/cessation of the contract. A draft ICT Server Room procedure has been produced to ensure business continuity and this will be finalised when Facilities Team work has been signed off.
Risk Management	2	1 Implemented 1 Partially implemented	Implemented - Risk Management training was to be arranged – a brief update has been provided to all Service Managers re risk management – this has been carried out electronically due to the current environment and capacity levels

			<p>within the Authority.</p> <p>Partially implemented - A mapping exercise was to be carried out to assist in identifying new risks – this has been prepared but will be revisited in 2021</p>
Christmas Decoration Budget	3	3	<p>Implemented - A four year contract with Lancashire County Council was put into place in September 20 for the installation, maintenance and dismantling of lights, decorations, cribs and trees within the Borough.</p> <p>Implemented - The Events Co-Ordinator will retain all documentation relating to the Christmas Switch On Events - on the shared drive. The appropriate insurance cover will be put in place prior to any event taking place and recorded on the documentation.</p> <p>Implemented - The Xmas Lighting Budget and Contract will be administered by the Regeneration & Property Service and the Xmas Events will be the responsibility of Environmental Services.</p>
Markets	9	6 implemented 3 partially implemented	<p>Implemented - Improvements had been made to the internet and Wi-Fi within the Market Hall and traders have reported no issues with the Wi-Fi signal.</p> <p>Partially implemented - An external PR company updates the HBC website for the Markets area and the Markets Manager has the final sign off for all entries made. The Head of ICT will be kept informed of the webpage content. This work will be finalised in December 2020. The Markets Manager has also reviewed the Markets Handbook in conjunction with the Portfolio holder and the Head of Service and this will be re-issued by the end of March 2021.</p> <p>Implemented - Payment for rent can now be made online under the Pay for It tab on the webpage. This is part of CivicaPay – the newly installed payment system.</p>

			<p>Partially implemented - Work to enable online booking of stalls remains ongoing and is part of the CivicaPay rollout.</p> <p>Implemented - To ensure stall holders complied with the Market opening hours, all indoor traders have now signed a three-year lease, which refer to opening hours. The Markets Manager has also been monitoring traders and followed up any queries in writing.</p> <p>Partially implemented - Introducing credit checks for potential traders was discussed with Legal Services and was not felt to be cost effective in the long-term. Focus has been concentrated on Arrears Management. The Markets Manager will report arrears after one month to the Debt Recovery officer and have discussions with traders when necessary.</p> <p>Implemented - All new leases have a requirement stating that rent has to be paid by Direct Debit. This will assist in debt monitoring.</p> <p>Implemented - The monitoring of debt has been strengthened and the prompt action to escalate cases to Legal Services will continue. All cases are recorded on a spreadsheet that is regularly monitored by the Markets Manager.</p> <p>Implemented - New leases are of a standard type that have been approved by Cabinet. The Markets Manager can only grant a discount that has been approved by the Cabinet/Portfolio holder.</p>
<p>Markets (2) This was to assist with controls following an extra piece of work carried out by Internal Audit in</p>	<p>8</p>	<p>8</p>	<p>Implemented – A document has been created to record details of cash placed in the Markets safe prior to collection by the external security company. This form includes the date, the officer name, the bag number and amount and the pick-up details. This enables HBC to trace the income should any discrepancy</p>

February 2020			<p>be reported.</p> <p>Implemented – in the event of non-collection of cash by the external company, the Markets Manager will contact the company to ascertain why the cash has not been collected on the day stated in the contract.</p> <p>Implemented – should there be multiple cash bags to be collected, each bag number is recorded on the document above and the external company are required to sign a receipt for each bag.</p> <p>Implemented – in the event of cash not being credited to the Councils' bank account, this will be reported in the first instance to the Revenues Manager and Internal Audit.</p> <p>Implemented – the meeting room will be advertised on the Markets webpage by the end of December 20 and this will assist in generating income.</p> <p>Implemented – To ensure all orders are raised accurately and correctly authorised, all manual order books have been removed from the office. All orders are raised on a standard Env Health Services template and only when approved can they be added to the Financial system.</p> <p>Implemented – staff will not be allowed to pay for stock, for personal use, that has been ordered by HBC. The Markets Manager has informed all staff of this instruction.</p> <p>Implemented – the completion of invoice coding grids has been improved and the Markets Manager is aware of the separate need for a separation of duties in terms of completing and authorising the document.</p>
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