BRENTWOOD BOROUGH COUNCIL INTERNAL AUDIT PROGRESS REPORT

Presented to the Audit and Scrutiny Committee 13 March 2019

BDO

CONTENTS

	Page
Summary of 2018/19 Work	3
Review of 2018/19 Work	4
Executive Summaries of Final Reports	
- **PCI / DSS Compliance**	5
- **Corporate Projects**	9
- **Local Development Plan**	14
Key Performance Indicators	18
Appendix 1: Internal Audit Opinion Definitions	

SUMMARY OF 2018/19 WORK

Purpose of Report

This report is intended to inform the Audit and Scrutiny Committee of progress made against the 2018/19 internal audit plan. It summarises the work we have done, together with our assessment of the systems reviewed and the recommendations we have raised. Our work complies with Public Sector Internal Audit Standards. As part of our audit approach, we have agreed terms of reference for each piece of work with the risk owner, identifying the headline and sub-risks, which have been covered as part of the assignment. This approach is designed to enable us to give assurance on the risk management and internal control processes in place to mitigate the risks identified.

Internal Audit Methodology

Our methodology is based on four assurance levels in respect of our overall conclusion as to the design and operational effectiveness of controls within the system reviewed. The assurance levels are set out in Appendix 1 of this report, and are based on us giving either "substantial", "moderate", "limited" or "no". The four assurance levels are designed to ensure that the opinion given does not gravitate to a "satisfactory" or middle band grading. Under any system we are required to make a judgement when making our overall assessment.

For audits with a substantial or moderate assurance opinion, the executive summaries from the final report will be included in the Internal Audit Progress Report.

For audits with a limited or no assurance opinion, the full report will be included with the papers.

2018/19 Internal Audit Plan

The following reports have been finalised, and the executive summaries are included in this report:

- PCI / DSS
- Corporate Projects
- Local Development Plan

The following audits are in the process of being completed or due to take place in Q4 and will be presented to the next Audit and Scrutiny Committee meeting:

- Main Financial Systems (fieldwork completed)
- Workforce Strategy and Organisational Structure (planning)
- Disaster Recovery and Business Continuity
- General Data Protection Regulations
- Housing – Homelessness

Changes to the Plan

There have been the following changes to the approved internal audit plan:

- Risk Management and Governance - This audit has been deferred to 2019/20 at the request of management and agreed by internal audit as it was reviewed last year. The risk management element will be carried out in Q1 and the corporate governance element in Q4.
- Housing Audit – a review has been requested by management.

We have agreed changes to the timings of the two audits below:

- Disaster Recovery and Business Continuity – moved from Q2 to Q4 (to allow for arrangements with Basildon Council to be confirmed and in operation).

- General Data Protection Regulations – moved from Q2 to Q4 (to allow for the new systems and process to become embedded, and provide a sufficient basis for audit testing).
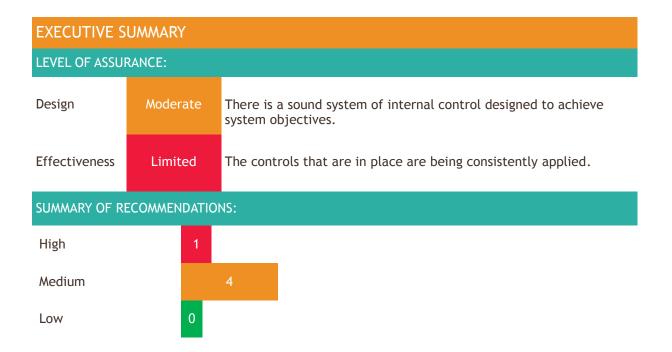
Internal Audit Plan 2019/20

We attended the Council's Corporate Leadership Board meeting on 9 January 2019 to discuss the priorities for the internal audit plan for 2019/20. The discussion focussed upon key current and emerging risks, changes to the operating environment and new developments and projects. A draft internal audit plan and updated strategy is presented to the Audit and Scrutiny Committee under separate cover.

REVIEW OF 2018/19 WORK

Audit	Executive Lead	Due Date	Planning	Fieldwork	Reporting	Design	Effectiveness
Risk Management and Governance Arrangements	Sue White	Q4 Mar 2019	This audit has been deferred to 2019/20. The risk management element will be carried out in Q1 and the corporate governance element in Q4.				
Main Financial Systems	Phoebe Barnes	Q3/ Q4 Dec 2017	✔	✔	✔ Closing meeting held, report being drafted		
Disaster Recovery and Business Continuity	Sue White	Q4 w/c 18 Mar 2019	✔ Draft ToR				
General Data Protection Regulations	Daniel Toohey	Q4 w/c 18 Mar 2019	✔ Final ToR				
Local Development Plan	Phil Drane	Q3 Dec 2018	✔	✔	✔ Final	🟠	🟠
Commercial Activities	Chris Leslie	Q1/Q2 Jun to Sep 2018	✔	✔	✔ Final	🟢	🟢
Corporate Projects	Steve Butcher	Q3 Dec 2018	✔	✔	✔ Final	🟠	🟠
Workforce Strategy and Organisation Structure	Phil Ruck	Q4 Mar/Apr 2019	✔ Draft ToR				
Housing – Homelessness	Stuart Morris	Q4 Feb 2019	✔	✔	✔ Closing meeting held, report being drafted		
Building Control	Gary Sampson-Price	Q1 May/Jun 2018	✔	✔	✔ Final	🟢	🟢
Planning	Andy Millard	Q1 May/Jun 2018	✔	✔	✔ Final	🟢	🟢
PCI / DSS Compliance	Christopher Houghton/ Tim Huggins	Q2 Jul 2018	✔	✔	✔ Final	🟠	🔴
Housing Review (new audit)	Phil Ruck / Angela Abbott	Q4 Mar 2019	✔ Final ToR				
Follow Up	Jacqueline Van Mellaerts	Ongoing	------------------See separate follow up report------------------				

EXECUTIVE SUMMARY – PCI / DSS COMPLIANCE

EXECUTIVE SUMMARY		
LEVEL OF ASSURANCE:		
Design	Moderate	There is a sound system of internal control designed to achieve system objectives.
Effectiveness	Limited	The controls that are in place are being consistently applied.
SUMMARY OF RECOMMENDATIONS:		
High	1	
Medium	4	
Low	0	

BACKGROUND:

The Payment Card Industry Data Security Standard (PCI DSS) encompasses a set of requirements designed to ensure that all companies that process, store, or transmit credit card information maintain a secure environment.

PCI DSS is designed to help organisations process card payments securely and reduce card fraud. This is achieved through enforcing tight controls surrounding the storage, transmission and processing of cardholder data that organisations handle. PCI DSS is intended to protect sensitive cardholder data.

Payments made using any debit, credit, or pre-paid card from the card issuers are subject to the PCI DSS. Whilst becoming PCI compliant is not a legal requirement, it is a general standard that most financial institutions have adopted and it is therefore a requirement of most banks to allow merchants (the Council here) to accept card payments either online, over the phone or in person. All merchants, regardless of their size or the value or volume of transactions, need to be PCI DSS complaint.

Penalties for non-compliance can be severe. Banks may levy fines on merchants that do not comply with requirements of the PCI-DSS and can, in exceptional circumstances, revoke the ability to process card payments. In the event of a data breach, merchants may also be liable for all of the costs of the forensic investigation.

The Council's Town Hall Re-modelling project was completed in October 2017. A gap analysis was carried out by Sysnet global solutions in March 2017 that provided information on data flows for different methods of payments processing, and guidance on what could be in scope for PCI DSS. Since then, the Council has made changes, and is planning further changes, to systems within the card holder data environment, such as the introduction of the CallSecure application, payments taken using a mobile chip and pin device and moving to Capita's v10 payment portal for Firmstep payments to be redirected.

During the audit period, the Council prepared a project plan to implement the above changes and to establish an effective control environment to be compliant with the twelve requirements of PCI DSS standards. This plan was reviewed in light of the audit findings and our recommendations were incorporated.

GOOD PRACTICE:

- The Council has performed a penetration test and information security assessment in July 2018 and this assessment is planned to be performed on a quarterly basis.

KEY FINDINGS:

- The complete card holder data environment is neither identified nor documented for various methods that the Council processes payment card data.
- The annual self-assessment questionnaires are not completed for all the Council's payment card processing activities.
- There is a lack of clear ownership and responsibility for ensuring that the Council meets the requirements of the PCI DSS.
- There is no policy in place for compliance with PCI DSS.
- The Council does not monitor compliance assurance from third party service providers.

ADDED VALUE:

Through this audit, we have supported the Council in achieving compliance with the PCI-DSS through our knowledge of best practice and experience from other local government organisations.

CONCLUSION:

Although the Council developed a project plan during our audit, our review of the Council's compliance against the Payment Card Industry Data Security Standard identified a number of areas with scope of improvement as set out in the Key Findings section above. As such, Risk F9 - Failure to attain PCI DSS compliance across all payment options - on the Council's Finance Operational Risk Register is not being adequately mitigated. Consequently, we have concluded an opinion of moderate assurance over the design of the control framework and limited assurance over their operational effectiveness.
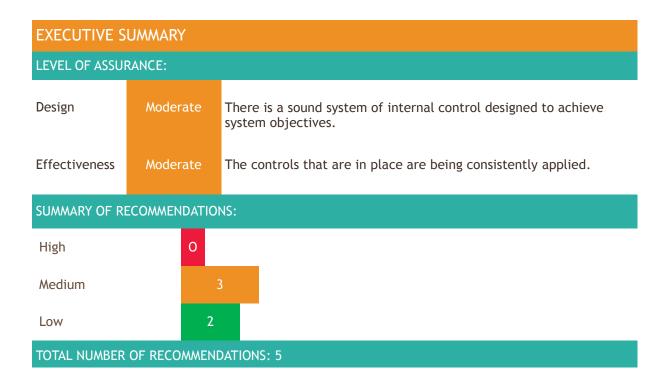
MANAGEMENT ACTION PLAN:

Recommendation	Priority	Management Response	Responsible Officer and Implementation Date
1. The Council should: • Determine all processes by which the Council receives income from payments cards, and the total number of transactions per year. These need to include where payments are processed by third parties. • Establish whether the number of transactions from the various merchant accounts should be aggregated • Use the information above to select the relevant SAQs, which set out the requirements of the standard depending on how cardholder data are processed • Further specific help and advice should also be made available to the Council for each merchant account from its provider.	High	Recommendation agreed.	Tim Huggins - ICT Manager Partially completed/ongoing to March 2020 Internal Audit *Comment: Due to the extended timescale for full implementation, internal audit will audit the progress made and comment on any outstanding risks in September 2019.*

Recommendation	Priority	Management Response	Responsible Officer and Implementation Date
2. The Council should: • Identify and clearly and fully document the Council's complete card payment environment • Review the existing arrangements whereby different systems are used for payment processing and consider rationalising the card payment process • Complete the annual Self-Assessment Questionnaire as a means of identifying gaps in the Council's requirements of PCI-DSS across the Council's three card payment channels and develop actions to address them • Establish a timetable for the completion of the annual Self-Assessment Questionnaire.	Medium	Recommendation agreed.	Tim Huggins - ICT Manager April 2019
3. The Council should formally assign overall responsibility to an officer with sufficient seniority to co-ordinate the input and efforts of managers from the various service areas which are involved in card payment processing.	Medium	Recommendation agreed.	Tim Huggins - ICT Manager September 2019
4. All the dependencies of third parties for payment processing should be identified by the Council as part of the compliance process. Management should assign the responsibility to manage and monitor the PCI DSS compliance of all associated third party service providers with access to cardholder data.	Medium	Recommendation agreed.	Tim Huggins - ICT Manager September 2019

Recommendation	Priority	Management Response	Responsible Officer and Implementation Date
A policy should be developed, which sets out how the Council will manage PCI DSS compliance activities and the policy should be reviewed on a regular basis. The policy should include but not be limited to: • Assignment of roles and responsibilities for ensuring that the Council is PCI DSS complaint have been assigned • Procedures for staff that are responsible for taking card payments • The Council's security strategy in relation to the storage, processing and transmission of credit card data • A set of instructions for detecting, responding to and limiting the effects of an information security event. The Council should develop and disseminate suitable procedure notes for staff, to ensure that working practices are compliant. Appropriate training should be provided on PCI DSS requirements to all members of staff dealing with card payments.	Medium	Recommendation agreed.	Tim Huggins - ICT Manager March 2020

EXECUTIVE SUMMARY – CORPORATE PROJECTS

EXECUTIVE SUMMARY		
LEVEL OF ASSURANCE:		
Design	Moderate	There is a sound system of internal control designed to achieve system objectives.
Effectiveness	Moderate	The controls that are in place are being consistently applied.
SUMMARY OF RECOMMENDATIONS:		
High	0	
Medium	3	
Low	2	
TOTAL NUMBER OF RECOMMENDATIONS: 5		

BACKGROUND:

The Council has a corporate plan, "The Vision for Brentwood", which was formally agreed by Full Council on 18 November 2015 and runs for the three municipal years 2016 - 2019. It focuses on its top priorities and highlights how it will tackle the challenges facing the Borough. The Council set five priorities: Environment and Housing Management, Community and Health, Economic Development, Planning and Licensing and Transformation.

A number of corporate projects have been devised and the Council introduced a register for corporate projects in December 2017, to improve the overall governance of such projects by having a centralised overview. The register has over 100 projects recorded, which includes all revenue projects and some of the capital projects. Some of the capital projects were near completion and it was decided that as they would be monitored through capital projects governance there was no need to include them.

All new projects must initially complete a Project On A Page (POAP) document outlining the reason for the project, expected outcomes, estimated costs and the resources required and if these are available to the Council. The POAP are presented at the Corporate Leadership Board for the approval to progress and if it is decided not to progress, the item will be recorded on the register as a future ambition so that the idea is not lost. The register is used to record the details on the POAP including a responsible officer and confirmation the resources are in place, before a project proceeds to avoid any potential delays in resources or finance not being available.   The position of projects is monitored at the Corporate Leadership Board (CLB) and a RAG rating is recorded on the register to show the current position of the project. Progress of corporate projects is reported to the Policies, Projects and Resources Committee.

The review considered the adequacy and effectiveness of governance and monitoring arrangements relating to current corporate projects in progress. An overview of the position of all current projects has been undertaken in relation to their reported current position in regards to budgets and completion dates.

For a sample of four projects a more detailed review of project management governance and monitoring controls has been undertaken:

- Town Hall construction, (selected as a project with major expenditure for the borough)
- Depot/Waste transfer scheme (selected as the scheme is closed and allows a review of the closure process)
- Community Infrastructure Levy (selected as project on hold and allows a review of how such projects are monitored and potential impacts)
- Brentwood Town Centre Design Guide (selected as a major project for the borough with impact on the local community).

The review covered the current financial year 2018/19.

GOOD PRACTICE:

- Template documents for each stage of project management are available on the intranet
- PowerPoint guidance on the project management process is available on the intranet
- A summary register of corporate projects has been introduced with a summary of the position of each project. This includes the current overall status, project plan dates, risk and issues RAG rating, revenue and capital expenditure, and saving and incoming generation during the financial year.
- The CLB meets monthly with a set agenda point to discuss the register of corporate projects and raise action points as required which are followed up at the next relevant meeting.

KEY FINDINGS:

- The new process for corporate project management has not been embedded in the organisation as reflected by non compliance by some project managers such as the lack of project closure reports, POAP and monthly highlight reports. The project register may therefore not be up to date and it is difficult to ascertain the full status of all projects and the extent to which there may be overruns or overspends.
- Project risk actions do not contain implementation dates.
- Governance structures in relation to the Corporate Asset Management Group have not been embedded in the new process as the Corporate Asset Management Group remains a separate governance process from the Corporate Leadership Board's Corporate Project meetings.

ADDED VALUE:

We have carried out a comparison of project reports presented to boards/committees by other authorities to establish if the Council's reports are comparable or if other authorities are including additional detail, which could help benefit the recipients. The Council's templates for business cases, project initiation and highlight reports are very similar to other local authorities. In respect of the project closure report and lessons learned reports, the Council have kept it as two separate documents whilst other local authorities tend to document these in a single report. There is no significant difference in the content.

We have also carried out a comparison with other authorities to establish if they hold separate risk registers for all projects outside of the departmental/operational risk registers and the benefits of such actions.

Our comparison found a mixture of approaches by the councils with the following common approaches found:

- For small and short projects, the project manager reports to the board using the risk identified in the business case and there is no separate risk register. Some councils have set a de minimis limit for this. Brentwood should consider this approach to ensure they are picking up all risks associated with a project.
- For a department/service with a number of projects where none individually are material or have a significant impact on the council as a whole, the head of department/service has set up a project board as some of the risks are interlinked. The

board will hold one risk register, which is broken down by project. Brentwood currently have a central register of all projects but not the risks involved and should consider this approach for additional detail.

- For large projects and projects with significant impact on the Council, there is likely to be a separate risk register and the project will have its own operations board which meets regularly to review and monitor the risk register. This is the current approach at Brentwood for large projects such as the Town Hall refurbishment so best practice is being followed.

CONCLUSION:

The Council has introduced a well-designed corporate management process since 2018/19 but we have identified some areas for improvement, such as the need to embed and improve the planning and reporting process, to ensure consistency. We have therefore concluded a moderate opinion on control design and effectiveness.
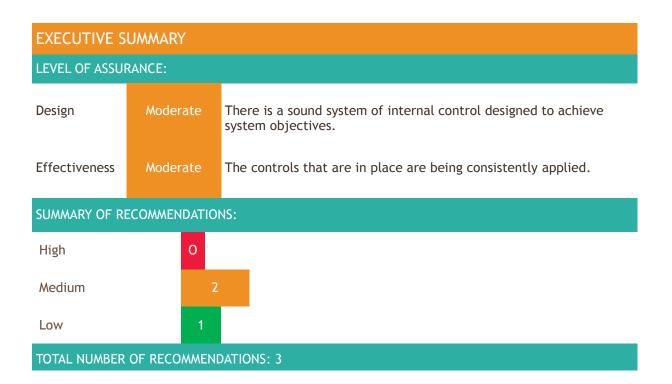
MANAGEMENT ACTION PLAN:

Recommendation	Priority	Management Response	Responsible Officer and Implementation Date
1. The project register should be updated with the following information: • Reason for changes to the RAG status or for non submission of highlight report • Where a highlight report is not submitted, the comment section should document the date of last submission • Where a project is on hold, the summary of the latest correspondence should be recorded to ensure the projects are still going ahead. • Internal Resources • Capital Expenditure • Revenue Expenditure • Financial Savings/Income Generation by Financial Year The register should include an extra column on the original plan end date. The council should also put a system in place to report any regular/consistent non-compliance of the reporting and monitoring process. To assist with embedding the new project monitoring process, the council should take further action such as regular communications	Medium	The organisation is evolving into one that delivers change via different project methodologies & not all project managers have been trained in specific tools & techniques, most pick this up as part of the day job & therefore not used to completing project documentation on a monthly basis, nor understand the importance of this practice. The above has been recognised by the team & by this Audit & have proposed to run a number of project management training sessions for any member of staff delivering a project & any other relevant staff. The focus of these will be on the "why we do it this way" & the benefits of using a methodology to run projects.	Steven Butcher - Projects and Programme Manager June 2019

Recommendation	Priority	Management Response	Responsible Officer and Implementation Date
and a training / awareness programme.		The required information for the Register is already requested but consistent non-compliance with providing this will be escalated to CLB and commentary on non-compliance recorded as recommended. One of the key gaps within the corporate register is an awareness on capital/revenue expenditure + financial savings, the project team will work closely with finance to improve this & include the importance of this within the future training.	
2. The council should set out a guideline on when a risk register should be created on a project. The risk register should include a report/implementation date for any mitigating action. Medium/High risks should be recorded in section five of the highlight report. It should contain sufficient information on the risk and mitigating actions. This should be reviewed by the project manager at each submission of the highlight report. Once the risk is mitigated, it should remain on the highlight report for information purposes.	Medium	As per above comments & actions the training to be given to employees involved in projects will go into depth regarding the identification and monitoring of risks & the importance of this as part of the successful delivery of a project. The risk register template will be updated to include report/implementation date for mitigating actions.	Steven Butcher - Projects and Programme Manager June 2019
For the ease of users, we recommend that the council compiles a frequently asked question/best practice guide for project managers in relation to closure report. The council should consider merging the closure report and the lessons learnt report to avoid duplication and ensure all project	Medium	The lessons learnt report & closure report will be consolidated into one document with support & guidance available on the project & programme micro-site for employees to access. Lessons learnt & closing of a project	Steven Butcher - Projects and Programme Manager June 2019

Recommendation	Priority	Management Response	Responsible Officer and Implementation Date
closure reports are in one place. The corporate projects team should carry out a monthly management check to ensure lessons learn reports are completed on a timely basis. Best practices and key lesson learnt should be regularly shared across the council.		will also be covered as part of the project management training. To take this forward further; projects won't be closed/taken off the register until a PCR/LL has been received. Non-compliance with this will be escalated to CLB.	

EXECUTIVE SUMMARY – LOCAL DEVELOPMENT PLAN

EXECUTIVE SUMMARY		
LEVEL OF ASSURANCE:		
Design	Moderate	There is a sound system of internal control designed to achieve system objectives.
Effectiveness	Moderate	The controls that are in place are being consistently applied.
SUMMARY OF RECOMMENDATIONS:		
High	0	
Medium	2	
Low	1	
TOTAL NUMBER OF RECOMMENDATIONS: 3		

BACKGROUND:

The Local Development Plan (LDP) is the Council's strategy for future growth within the borough over 15 years. It sets out a spatial vision, strategic planning policies, development management policies, policies map and site specific land use allocations. LDP consultation was first published in 2009, followed by a preferred options consultation completed in October 2013. The Draft Local Plan Consultation was completed in March 2016. A further preferred site allocations consultation concluded in March 2018. This was part of the Regulation 18 stage according to The Town and Country Planning (Local Planning) (England) Regulations 2012. This informs progression towards Regulation 19 stage (publication) and latter stages, including submission and examination before the plan can be adopted. The responsibility for compiling the plan is with the Director of Strategic Planning and the Leader of the Council is held responsible by the Secretary of State for Communities and Local Government. Before submission of the plan to the Secretary of State and the final adoption of it, there is a requirement that the Ordinary Council approve it.

In November 2017 the Secretary of State for Communities and Local Government issued a letter to the Council outlining concerns that the Council had yet to adopt the 2004 Act Local Plan. Local planning authorities are required to publish a Local Development Scheme setting out when an authority expects to reach key milestones in the plan making process, and the timetable for producing documents to maintain an up to date plan. According to the letter, in the years since the 2004 Act was introduced the Council had failed to meet such deadlines set out in the timetable.

The Government's 2017 Housing White paper outlined what would be prioritised leading to intervention and the Secretary of State requested the Council explain its position and what action it would take to avoid intervention. The Council sent an initial response in November 2017 outlining its position and plans. A further response with more details was sent in January 2018 with a clear timetable for the issues to be completed. In March 2018 the Secretary of State wrote to the Council again outlining that some progress had been made. However, it stated that an up to date plan was still not in place, that the situation would continue to be monitored, and if the timetable failed to be met then it would raise further concerns and the full range of powers given by Parliament would be used.

The Council held an extraordinary Council meeting on 8 November 2018 to review and vote on approving the Pre-submission Local Development Plan (Regulation 19) and the Revised Local Development Scheme, detailing the new timetable. It is now anticipated that the plan will be submitted to the Secretary of State in Quarter 1 2019 with the plan being adopted in Quarter 3 2019.

GOOD PRACTICE:

- We reviewed the Council's strategic risk register and noted that the local development plan has been included in the risk register as RSK2. We confirmed the risk is reviewed by Audit and Scrutiny Committee on a quarterly basis. The last update was made in November 2018, which gave a rating of 2 and 5 for residual likelihood and residual impact respectively, resulting in a risk score of 10 out of 25.

  The local development plan project is monitored via the Corporate Leadership Board, which reviews the positions of all corporate projects on a monthly basis. We confirmed that a highlight report, which outlines key progress, plans, milestones, risks and issues, has been submitted to the Corporate Leadership Board on a monthly basis.

  The Director of Strategic Planning attends Corporate Leadership Board monthly to provide context for the high-level results when the project progress is reported.

- A project plan, which details all the local development plan tasks, is monitored and updated on a weekly basis by the Strategic Planning Manager. This is reported on a monthly basis to the Corporate Leadership Board.

- An electronic filing structure has been set up by the Senior Policy Planner to capture evidence of duty to cooperate. This is on a secure drive and only accessible by the Planning Team. The Senior Policy Planner has also sent instructions, to the relevant officer involved in the duty to co-operate meetings which requires relevant and comprehensive record of meetings, discussions and agreements.

KEY FINDINGS:

- The submission of the Local Development Plan to the Secretary of State has slipped so that the submission will now be in May 2019 and not March 2019. This was caused by additional work required as a result of the amendments made by Councillors at Extraordinary Council on 8 November 2018, as well as discussion with Essex County Council on the detail of infrastructure requirements. This meant a knock-on delay of commencing the public consultation period and ensuring that the plan and documents for the public consultation were updated. The council is in regular contact with the Ministry of Housing, Communities and Local Government (MHCLG) regarding the programme. MHCLG were informed of the delay in November 2018 which was accepted. The Council needs to ensure there is sufficient contingency in its plans for such delays.

- There are no end dates for obtaining the statement of common ground from the neighbouring councils and Essex County Council recorded on the project plan. Without a formal end target for all of these it is not possible to establish if the project is on target and the new submission date will be met.

- It was noted from comparing the project plan for 15 February 2019 to the December 2018 version that new end dates have been included but items have been removed. Those items removed are due to the task being completed but the current version will not show the timeline of the project, the tasks completed and if they were on target to ensure an audit trail from older versions.

ADDED VALUE:

We compared the Local Development Plans of other neighbouring authorities, including Maldon, Basildon, Chelmsford and Epping Forest, to establish if the Council's plan contains similar information to ensure it is relevant or there is potential further information, which could be included to help evidence delivery of the plan.

CONCLUSION:

The submission of the Local Development Plan to the Secretary of State has been delayed by two months due to the impact of the changes required by Councillors and working with Essex County Council to review the infrastructure changes.

We found that the Council has taken the requisite steps to introduce a sound control and governance framework to ensure that the local development plan project will meet the revised timetable and avoid intervention by the Secretary of State. However, further improvements are required to reduce the risk of missing the deadline, including having agreed end dates documented for reaching common ground with neighbouring Councils and building in contingency for any potential delays.

MANAGEMENT ACTION PLAN:

Recommendation	Priority	Management Response	Responsible Officer and Implementation Date
1. a) An end date should be inputted on the project planner to ensure it has a target deadline in line with the submission of the local development plan. b) Completed tasks should be retained and given a separate colour to show completion to give a full overview of the project's timelines. c) The Strategic Planning Manager should monitor the completion of the tasks to ensure the end dates are met.	Medium	The nature of each Statement of Common Ground is different and therefore end dates for completion will differ. However, the recommendation is noted, and the project planner should be updated to reflect different end dates as relevant. The project planner is an evolving resource as the project progresses. The complex nature of tasks means that things can be added as the project progresses. However, the advice to ensure that completed tasks are retained and colour coded accordingly is noted and shall be implemented moving forward. The strategic Planning Manager is monitoring completion of tasks on a regular basis.	Phil Drane - Director of Strategic Planning / Jonathan Quilter - Strategic Planning Manager May 2019
The current progress plan should be reviewed to ensure each stage has an appropriate end date and the resources in place to avoid any further potential delays. This should be continually monitored and additional resources deployed as required.	Medium	The project planner is a resource designed to be updated each week and reflect targets and progress on key tasks related to the local development plan. It is noted that a certain	Phil Drane - Director of Strategic Planning / Jonathan Quilter - Strategic Planning Manager December 2019

Recommendation	Priority	Management Response	Responsible Officer and Implementation Date
		amount of contingency would be helpful on tasks when these do not go to plan.	

KEY PERFORMANCE INDICATORS

Quality Assurance as per the Internal Audit Charter	KPI Results	RAG Rating
Annual Audit Plan delivered in line with timetable	Three audits have been deferred at management's request, as detailed on page 3	🟡
Actual days are in accordance with Annual Audit Plan	To date this KPI has been met	🟢
Customer satisfaction reports – overall score at least 70% for surveys issued at the end of each audit	No surveys have been received relating to 2018/19 as yet	⚪
Annual survey to Audit Committee to achieve score of at least 70%	Survey to be issued in March 2019	⚪
At least 60% input from qualified staff	To date this KPI has been met	🟢
Issue of draft report within 3 weeks of fieldwork `closing' meeting	The first two audit reports (Building Control and Planning) were deferred for issue pending agreement and signing of the new contract with BDO as the Council's internal audit provider	🟡
Finalise internal audit report 1 week after management responses to report are received	To date this KPI has been met	🟢
Positive result from any external review	An external audit review has not been undertaken during 2018/19 to date	⚪
Audit sponsor to respond to terms of reference within one week of receipt and to draft reports within two weeks of receipt	To date this KPI has been met	🟢
Audit sponsor to implement audit recommendations within the agreed timeframe	To date, 71% of recommendations falling due for implementation have been completed. The Internal Audit Follow Up Report has further details.	🟡
Internal audit to confirm to each meeting of the Audit and Scrutiny Committee whether appropriate co-operation has been provided by management and staff	We can confirm that for the audits undertaken to date, management and staff have supported our work, their co-operation has enabled us to complete our work in line with the terms of reference through access to records, systems and staff as necessary	🟢

APPENDIX 1

OPINION SIGNIFICANCE DEFINITION

Level of Assurance	Design Opinion	Findings from review	Effectiveness Opinion	Findings from review
Substantial	Appropriate procedures and controls in place to mitigate the key risks.	There is a sound system of internal control designed to achieve system objectives.	No, or only minor, exceptions found in testing of the procedures and controls.	The controls that are in place are being consistently applied.
Moderate	In the main, there are appropriate procedures and controls in place to mitigate the key risks reviewed albeit with some that are not fully effective.	Generally a sound system of internal control designed to achieve system objectives with some exceptions.	A small number of exceptions found in testing of the procedures and controls.	Evidence of non compliance with some controls, that may put some of the system objectives at risk.
Limited	A number of significant gaps identified in the procedures and controls in key areas. Where practical, efforts should be made to address in-year.	System of internal controls is weakened with system objectives at risk of not being achieved.	A number of reoccurring exceptions found in testing of the procedures and controls. Where practical, efforts should be made to address in-year.	Non-compliance with key procedures and controls places the system objectives at risk.
No	For all risk areas there are significant gaps in the procedures and controls. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Poor system of internal control.	Due to absence of effective controls and procedures, no reliance can be placed on their operation. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Non compliance and/or compliance with inadequate controls.

FOR MORE INFORMATION:

Greg Rubins

Partner, BDO LLP

greg.rubins@bdo.gov.uk

Angela Mason-Bell

Manager, BDO LLP

angela.mason-bell@bdo.co.uk