



COMMITTEE TITLE: AUDIT AND SCRUTINY

DATE: 20 March 2024

REPORT TITLE:	Internal Audit Progress Report
REPORT OF:	Tim Willis, Interim Director Resources and Section 151 Officer

REPORT SUMMARY

This report is intended to inform the Audit and Scrutiny Committee of progress made against the 2023/24 internal audit plan.

The following reports has been finalised since the last Committee meeting:

- Workforce Strategy (Moderate/Moderate)
- Corporate Estates Management (Limited/Limited)
- Data Protection (Limited/Limited)

RECOMMENDATIONS

To note the progress made against the 2023/24 internal audit plan and the findings from the audit completed since the last Committee meeting.

SUPPORTING INFORMATION

1.0 REASONS FOR RECOMMENDATIONS

Internal audit is required to report the findings of their work to the Council, through the Audit and Scrutiny Committee.

2.0 OTHER OPTIONS CONSIDERED

None.

3.0 BACKGROUND INFORMATION

BDO has been the appointed Internal Auditor for the Council since 1 April 2014.

Their work complies with Public Sector Internal Audit Standards. As part of the audit approach, they agreed terms of reference for each piece of work with the risk owner, identifying the headline and sub-risks which were covered as part of each assignment. This approach is designed to enable internal audit to give assurance on the risk management and internal control processes in place in the Council to mitigate the risks identified.

The Audit Committee approved the 2023/24 annual audit plan in March 2023. The progress against plan is reported at every Audit and Scrutiny Committee meeting.

Progress report

The following final internal audit reports have been issued since the last Committee meeting and internal audit's overall conclusion is set out below. Further details included in Appendix A – Internal Audit Progress Report.

Workforce Management (Moderate/Moderate)

The Council's new (draft) One Team People and Culture Strategy clearly sets out the partnership's One Team vision. There is also a clear plan to approve the Strategy and establish monitoring meetings to review progress. The Council is also responsive to training requests and monitors additional training undertaken by staff, including the successful Aspiring Managers Development Programme.

There are some areas in need of improvement, to ensure that each area of the Strategy is supported by sufficient data and SMART action plans. The lack of appraisals for 20% of the Council's staff also needs to be fully addressed and the Council is not adequately establishing and monitoring the reasons for staff resignations.

We have therefore concluded a moderate assurance over both the design and operational effectiveness of the Council's controls that are in place.

Corporate Estates Management (Limited/Limited)

The Council is aware that work is required to update property records and formalise an estates management database going forward. This is crucial for record-keeping purposes but would also facilitate compliance with legislation: a central record of all properties within the Council's portfolio would enable the Council to track and monitor the compliance requirements, and corresponding responsibilities for these, for all properties within the Council's portfolio.

We would like to note the substantial progress made in relation to the above in the new year: the Property Compliance Officer has made significant headway in updating records in relation to compliance requirements for directly managed Council properties, and their remedial works, and aims to start work on commercial properties in the coming months. We appreciate that this is a work in progress therefore, at the time of the audit, we concluded Limited assurance over both the adequacy of the design of controls and the operational effectiveness of the controls pertaining to corporate estates management.

Data Protection (Limited/Limited)

We have raised two high, three medium and one low priority recommendations to improve the Council's data protection and UK GDPR compliance arrangements.

Whilst the Council has clearly defined responsibilities with regards to data protection, defined retention schedules and effective data subject request procedures in line with the UK GDPR, we found significant gaps that could impact its ability to comply with the requirements of data

protection legislation. The gaps relate to the absence of complete, up-to-date, and consistently completed records of processing activity; appropriate third-party due diligence procedures; adequate oversight by senior management; up to date policies regarding UK GDPR requirements; regular review of privacy notices; and sufficient training for members of staff.

Consequently, we concluded limited assurance over both the design and the operational effectiveness of the Council's data protection arrangements, particularly with regards to the areas covered by the scope of this review.

Follow up report

A summary of outstanding recommendations from previous audits is included in Appendix B – Internal Audit Follow Up Report.

This is regularly monitored by Senior Officers and will be followed up again ahead of the next Audit and Scrutiny Committee, along with other recommendations due by the Committee date.

4.0 FINANCIAL IMPLICATIONS

Name & Title: Tim Willis, Director – Resources & Section 151 Officer
Tel & Email: 01277 312500 / tim.willis@brentwood.rochford.gov.uk

There are no direct financial implications arising from the report.

5.0 LEGAL IMPLICATIONS

Name & Title: Andrew Hunkin, Director – People & Governance & Monitoring Officer
Tel & Email 01277 312500 / andrew.hunkin@brentwood.rochford.gov.uk

There are no direct legal implications arising from the report.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

There are no direct resource implications arising from the report.

7.0 RELEVANT RISKS

There are no direct risks arising from the report. The internal audit programme of work is designed to review risk areas within the Council.

8.0 ENGAGEMENT/CONSULTATION

Not applicable.

9.0 EQUALITY IMPLICATIONS

Name & Title: Kim Anderson, Corporate Manager - Communities, Leisure and Health
Tel & Email 01277 312500 kim.anderson@brentwood.gov.uk

There are no direct equality implications arising from the report.

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

Name & Title: Phil Drane, Director - Place
Tel & Email 01277 312500 / phil.drane@brentwood.rochford.gov.uk

There are no direct environment and climate change implications arising from the report.

REPORT AUTHOR: Name: Janine Combrinck
Title: Director, BDO LLP
Phone: 020 7893 2631
Email: janine.combrinck@bdo.co.uk

APPENDICES

Appendix A: Internal Audit Progress Report
Appendix B: Internal Audit Follow Up Report

BACKGROUND PAPERS

None.

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Not applicable.	