

# Eastern Internal Audit Services



South Norfolk Council

Progress Report on Internal Audit Activity

Period Covered: 27 September 2022 to 11 January 2023

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## 1. INTRODUCTION

- 1.1 This report is issued to assist the Authority in discharging its responsibilities in relation to the internal audit activity.
- 1.2 The Public Sector Internal Audit Standards requires the Chief Audit Executive to report to the Audit Committee on the performance of internal audit relative to its plan, including any significant risk exposures and control issues.
- 1.3 To comply with the above this report includes:
  - Any significant changes to the approved Audit Plan;
  - Progress made in delivering the agreed audits for the year;
  - Any significant outcomes arising from audits; and
  - Performance Indicator outcomes to date.

## 2. SIGNIFICANT CHANGES TO THE APPROVED INTERNAL AUDIT PLAN

- 2.1 Since the plan's approval in March 2022, the SNC2316 Network Security and Infrastructure Management audit has been deferred to 2023/24. A recent security posture review has been completed to provide third party assurance over these controls. In order to not duplicate the work, an audit will be scheduled post move to the Horizon.

## 3. PROGRESS MADE IN DELIVERING THE AGREED AUDIT WORK

- 3.1 The current position in completing audits to date within the financial year is shown in **Appendix 1**.
- 3.2 In summary 82 days of programmed work have now been completed, equating to 52% of the Internal Audit Plan for 2022/23.

## 4. THE OUTCOMES ARISING FROM OUR WORK

- 4.1 On completion of each individual audit an assurance level is awarded using the following definitions:

**Substantial Assurance:** Based upon the issues identified there is a robust series of suitably designed internal controls in place upon which the organisation relies to manage the risks to the continuous and effective achievement of the objectives of the process, and which at the time of our review were being consistently applied.

**Reasonable Assurance:** Based upon the issues identified there is a series of internal controls in place, however these could be strengthened to facilitate the organisation's management of risks to the continuous and effective achievement of the objectives of the process. Improvements are required to enhance the controls to mitigate these risks.

**Limited Assurance:** Based upon the issues identified the controls in place are insufficient to ensure that the organisation can rely upon them to manage the risks to the continuous and effective achievement of the objectives of the process. Significant improvements are required to improve the adequacy and effectiveness of the controls to mitigate these risks.

**No Assurance:** Based upon the issues identified there is a fundamental breakdown or absence of core internal controls such that the organisation cannot rely upon them to manage

risk to the continuous and effective achievement of the objectives of the process. Immediate action is required to improve the controls required to mitigate these risks.

4.2 Recommendations made on completion of audit work are prioritised using the following definitions:

**Urgent (priority one):** Fundamental control issue on which action to implement should be taken within 1 month.

**Important (priority two):** Control issue on which action to implement should be taken within 3 months.

**Needs attention (priority three):** Control issue on which action to implement should be taken within 6 months.

4.3 In addition, on completion of audit work “Operational Effectiveness Matters” are proposed, these set out matters identified during the assignment where there may be opportunities for service enhancements to be made to increase both the operational efficiency and enhance the delivery of value for money services. These are for management to consider and are not part of the follow up process.

4.4 During the period covered by the report Internal Audit has issued two reports:

Audit	Assurance	P1	P2	P3
SNC2312 Community Assets	Reasonable	0	3	2
SNC2314 Community Activity	Reasonable	0	2	4

The Executive Summaries of these reports are attached at **Appendix 2**, full copies of the reports can be requested by Members.

4.5 As can be seen in the table above and as a result of these audits 11 recommendations have been raised by Internal Audit. No Operational Effectiveness Matters have been proposed to management for consideration.

## 5. UPDATE REGARDING OUTSTANDING INTERNAL AUDIT WORK FROM 2021/22

5.1 The SNC2213 Cyber Security has now been issued and formal management responses provided. The executive summary of this report can be found at Appendix 3.

5.2 The SNC Big Sky Position statement has now been finalised with a number of suggested actions considered and progressed by Big Sky. A briefing will be held with members following the January 2023 FRAG meeting covering the approved business plan and governance arrangements.

5.3 The key suggested actions arising from this review are as follows;

- Review and update of governance documentation reflecting the company's structure.
- The Council's role of shareholder to be formally documented within the Councils constitution and consideration made on ensuring that the Council is given the opportunity to formally feed into Big Sky business planning discussions and suitably kept informed of progress. Long term assumptions to be fed into the Councils Medium Term Financial Planning process.

- The Council to consider disclosing within strategic and delivery plans the contribution Big Sky makes to the achievement of the Council's strategic aims. Documentation of the risks that threaten success to be included within the Council's strategic risk register, such as nutrient neutrality.
- Reviewing board member conflicts and consider producing a training programme to support ongoing refresh of board member skills.
- Big Sky to consider its articulation of risk appetite, the documentation of financial policies and internal audit arrangements.

## 6. FOLLOW UP OF AGREED AUDIT RECOMMENDATIONS

- 6.1 In addition to providing the Committee with the performance of internal audit relative to its plan, the Public Sector Internal Audit Standards also require the Chief Audit Executive to establish a process to monitor and follow up management actions to ensure that they have been effectively implemented or that senior management have accepted the risk of not acting.
- 6.2 To comply with the above this report includes the status of agreed actions.
- 6.3 As a result of audit recommendations, management agree action to ensure implementation within a specific timeframe and by a responsible officer. The management action subsequently taken is monitored by the Internal Audit Contractor on a regular basis and reported through to the Committee. Verification work is also undertaken for those recommendations that are reported as closed.
- 6.4 **Appendix 4** to this report shows the details of the progress made to date in relation to the implementation of the agreed recommendations. This appendix also reflects the year in which the audit was undertaken and identifies between outstanding recommendations that have previously been reported to this Committee and then those which have become outstanding this time round. A total of 30 recommendations (three urgent, 13 important and 14 needs attention) are currently outstanding. Seven recommendations are not yet due for implementation.

**Appendix 5** and **Appendix 6** provide the committee with details of urgent and important priority recommendations that are overdue by the year in which they were raised. Management responses and a new deadline have been indicated for each.

## 7. PROPOSAL

- a) The Finance, Resources, Audit and Governance Committee are requested to receive the Progress Report. In doing so the Committee is ensuring that the Internal Audit Service remains compliant with professional auditing standards.
- b) The Finance, Resources, Audit and Governance Committee are asked to receive the position in relation to the completion of agreed audit recommendations.

## 7. RECOMMENDATIONS

- 7.1 That members receive the report on progress in relation to the completion of the Internal Audit Plan for 2022/23 as at 11 January 2023.
- 7.2 That members discuss the position in relation to the completion of agreed internal audit recommendations as at 11 January 2023.

## APPENDIX 1 – PROGRESS IN COMPLETING THE AGREED AUDIT WORK

Audit Area	Audit Ref	No. of days	Revised Days	Days Delivered	Status	Assurance Level	Recommendations				Date to Committee
							Urgent	Important	Needs Attention	Op	
<b>Quarter 1</b>											
Community Activity	SNC2314	8	8	8	Final report issued on 5 January 2023.	Reasonable	0	2	4	0	January 2023
<b>TOTAL</b>		<b>8</b>	<b>8</b>	<b>8</b>							
<b>Quarter 2</b>											
Covid-19 Relief Grants	SNC2302	8	8	6	Fieldwork concluding.						
Community Assets	SNC2312	8	8	8	Final report issued on 5 December 2022	Reasonable	0	3	2	0	January 2023
<b>TOTAL</b>		<b>16</b>	<b>16</b>	<b>14</b>							
<b>Quarter 3</b>											
Council Tax and NNDR	SNC2308	15	15	13	Fieldwork concluding.						
Risk Management	SNC2305	4	4	4	Draft position statement issued on 15 December 2022.						
Accounts Payable	SNC2306	10	10	8	Draft report in review stages.						
Local Council Tax Support and Housing Benefit	SNC2307	15	15	14	Draft report in review stages.						
Elections	SNC2315	8	8	7	Draft report in review stages.						
<b>TOTAL</b>		<b>52</b>	<b>52</b>	<b>46</b>							
<b>Quarter 4</b>											
Business Continuity and Emergency Planning	SNC2304	8	8	0	Scoping planned.						
Key Controls and Assurance	SNC2301	10	10	1	Scoping underway.						
Procurement and Contract Management	SNC2303	10	10	2	Fieldwork underway.						
Payroll and HR	SNC2309	8	8	1	Scoping underway.						
Economic Development	SNC2310	9	9	1	Scoping underway.						
Housing Strategy and Affordable Housing	SNC2311	6	6	0	Scoping planned.						
Leisure	SNC2313	10	10	0	Scoping planned.						
<b>TOTAL</b>		<b>61</b>	<b>61</b>	<b>5</b>							
<b>IT Audits</b>											
Service Desk	SNC2317	5	5	0	Scoping planning						
Post-Implementation Finance System	SNC2318	3	3	1	Fieldwork underway.						
Network Security and Infrastructure Management	SNC2316	9	0	0	Audit deferred to 2023/24.						
<b>TOTAL</b>		<b>17</b>	<b>8</b>	<b>1</b>							
<b>Follow Up</b>											
Follow Up	N/A	12	12	8							
<b>TOTAL</b>		<b>12</b>	<b>12</b>	<b>8</b>							
<b>TOTAL</b>		<b>166</b>	<b>157</b>	<b>82</b>			<b>0</b>	<b>3</b>	<b>2</b>	<b>0</b>	
<b>Percentage of plan completed</b>				<b>52%</b>							

## APPENDIX 2 – AUDIT REPORT EXECUTIVE SUMMARIES 2022/23

### Executive Summary – SNC2312 Community Assets

**OVERALL ASSESSMENT**

**ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE**

Assurance was provided over the following risk- Community Assets are not effectively managed, leading to reputational damage to the Council and failure to achieve objectives.

**SCOPE**

This area has not been subject to an audit before. Due to health and safety risk exposure, our audit focused on tree management processes, maintenance of play equipment and the management of open spaces such as Broadland Park and the newly acquired Queen’s Hills Country Park.

**KEY STRATEGIC FINDINGS**

- The Community Assets Strategy and supporting strategies and plans are out of date or unfinished.
- Tasks relating to playground maintenance are not always being completed in a timely manner.
- There are issues with how tasks are recorded, assigned and closed on the PSS Live system.
- The Councils do not have any written procedure or guidance about the process for disposing of community assets.

**GOOD PRACTICE IDENTIFIED**

- Qualified and experienced contractors are used to undertake inspections and maintenance for trees and playgrounds.
- There are plans in place for the development of the two country parks, to improve the facilities and sustainability of these assets.

**ACTION POINTS**

Urgent	Important	Needs Attention	Operational
0	3	2	0

## Findings






### Directed Risk:

Failure to properly direct the service to ensure compliance with the requirements of the organisation.

Ref	Expected Key Risk Mitigation	Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
GF	<b>Governance Framework</b> There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.	Partially in place	1, 4 & 5	-
RM	<b>Risk Mitigation</b> The documented process aligns with the mitigating arrangements set out in the corporate risk register.	In place	-	-
C	<b>Compliance</b> Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	Partially in place	2, & 3	-

### Other Findings

-  Governance Framework – There are plans in place for the management and growth of Broadland Country Park and Queen's Hills Country park, to improve the facilities and make them more financially sustainable.
-  Governance Framework – The Councils have two contractors for tree management, one to undertake inspections and one to complete maintenance tasks. This provides a degree of independence in the process.
-  Governance Framework – The Councils have a contractor for undertaking routine inspections and maintenance of its playgrounds. An additional annual inspection is undertaken by a separate contractor.



Governance Framework – All of the contractors have relevant qualifications and experience to ensure that they provide a high quality service. Officers within the team have completed training to enable them to provide better oversight of the contractors.



Risk Mitigation – PSS Live allows photo uploads so contractors can share before and after photos for works completed. For bigger jobs, an officer or the tree inspector will inspect the works to confirm completion.



Risk Mitigation – Tree works are paid for per job completed, so the Council can withhold payment if officers are not happy with the work completed. Jobs are charged according to a schedule of rates, so there is no dispute about costs.



Compliance – Tree inspections are carried out in accordance with a rolling programme covering both Councils. Inspection dates and outcomes are recorded on PSS Live.



Compliance – Monthly inspections of playgrounds are carried out by Eastern Play Services and annual inspections by ROSPA Play Safety. Actions arising from inspections are recorded on PSS Live.





### Delivery Risk:

Failure to deliver the service in an effective manner which meets the requirements of the organisation.

Ref	Expected Key Risk Mitigation	Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
PM	<b>Performance Monitoring</b> There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.	In place	-	-
S	<b>Sustainability</b> The impact on the organisation's sustainability agenda has been considered.	In place	-	-
R	<b>Resilience</b> Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.	Out of scope	-	-

### Other Findings



Sustainability – The Councils' Strategic Plan has an ambition to 'take proactive steps to preserve the natural and built environment', which underpins much of the work in Community Assets. The Community Assets Strategy has various guiding principles, one of which is 'To improve the contribution made by community assets to biodiversity', and the work in this area contributes to improving access to natural spaces.



Sustainability – The Community Assets Strategy states that the Council will seek external funding where available to support community assets, and promote community participation. This could include divestment of assets to reduce the Council's management responsibilities. There are plans in place to develop the two country parks and make them more financially sustainable.

# Executive Summary - SNC2314 Community Activity

## OVERALL ASSESSMENT



## ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

This audit sought to provide assurance over the following key risk:  
 “Potential mismanagement of Community programmes, leading to financial losses to the Council.”

## SCOPE

This area has not been subject to an audit before. This audit provides assurance over a range of areas under Community Activity including outreach services such as Broadly Active the Council’s Exercise Referral Scheme, Member Ward Grants, the Community Action Fund and the management of assets with community value.

## KEY STRATEGIC FINDINGS



**Broadly Active:** Sample testing verified that referrals were promptly input on the ReferAll system, with follow ups conducted with non-responsive clients.



**Community Grants:** Sample testing verified that grants were approved in accordance with programme guidance. However, members have not been fully utilising the grants, and post-payment assurance has not been implemented.



**Registers of successful, unsuccessful, and pending nominations for inclusion on the Assets of Community Value list** are maintained on the Councils’ website, however these were not kept up to date.



**A series of KPI’s** are in place and reported for Broadly Active. However, the reports are not RAG rated, nor provide information from prior quarters.

## GOOD PRACTICE IDENTIFIED



**Automated referrals** have been implemented for the Broadly Active programme, minimising the manual entry processes formally required.



**Checklists** are utilised to formalise the decision-making processes for Assets of Community value, and to ensure all required notifications are sent.

## ACTION POINTS

Urgent	Important	Needs Attention	Operational
0	2	4	0

## Findings



### Directed Risk:

Failure to properly direct the service to ensure compliance with the requirements of the organisation.

Ref	Expected Key Risk Mitigation	Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
GF	<b>Governance Framework</b> There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.	In place	-	-
RM	<b>Risk Mitigation</b> The documented process aligns with the mitigating arrangements set out in the corporate risk register.	Out of scope	-	-
C	<b>Compliance</b> Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	Partially in place	1, 2, 3, 4, & 5	-

### Other Findings



Governance Framework- For each of the programmes under audit, relevant policies and procedures were obtained and reviewed. Broadly Active, Community Grants, and Assets of Community Value programmes each have authorised procedures in place to help guide their operations. However, a recommendation has been raised under the Compliance section of this report to update/clarify the guidance for Community Grants.



Governance Framework- Reasonable separations of duties are in place for the programmes under audit. Specifically, Community Grants involve a member decision, and officer verification prior to grant payment. Also, determinations for Assets of Community Value are decided and agreed by both a Communities Officer, as well as the Assistant Director of Individuals and Families.



Risk Mitigation- Corporate Risk Management processes are in place. No risks/mitigations are currently recorded on the Strategic Risk register for the programmes under audit.



Compliance- Broadly Active: Sample testing identified that all sampled referrals were promptly input on the ReferAll system, with follow ups conducted to attempt contact with non-responsive clients. During the audit, it was identified that the input and follow-up processes on the ReferAll system were conducted manually. However, at the audit debrief, confirmation was received that an automated process had been put in place to eliminate the manual input previously required.



Compliance- Community Action Fund (CAF): Sample testing of approved and rejected applications verified all were documented and decided in accordance with programme guidance, including by both a member and officer. Grant applications are reviewed up to twice per year at the CAF panel. Minutes from these meetings are maintained on the Council's website and were confirmed to have been conducted at the defined intervals. For grant applications, a decision is noted in the minutes, as well as the rationale for the decision. The decisions made within the meetings are confirmed and signed by the AD of Individuals and Families.



Compliance- Assets of Community Value: Sample testing determined that all sampled nominations were reviewed promptly and in accordance with applicable guidance. The Localism Act 2011 requires all applications to be reviewed with 8 weeks of acceptance and outlines a series of required notifications. Each sampled nomination was reviewed within the required period, and checklists were used to document the decision-making process, and completion of required notifications.



## Delivery Risk:

Failure to deliver the service in an effective manner which meets the requirements of the organisation.

Ref	Expected Key Risk Mitigation	Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
PM	<b>Performance Monitoring</b> There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.	Partially in place	6	-
S	<b>Sustainability</b> The impact on the organisation's sustainability agenda has been considered.	In place	-	-
R	<b>Resilience</b> Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.	In place	-	-

## Other Findings



Sustainability- Eligible projects under the Members' Ward and Community Activity Fund include those which enhance the environmental wellbeing of the community, which helps support achievement of the Councils' sustainability objectives.



Resilience- Automated referrals have been implemented for the Broadly Active programme, minimising the manual entry processes formally required.



Resilience- As the Broadly Active programme has expanded across Central Norfolk, and with the Councils operation of a coordination centre to support its expansion, a surplus budget position was achieved in 2021/22 to help support the additional demands in 2022/23.

## SNC/BRD2213 Cyber Security

### Executive Summary

#### OVERALL ASSURANCE ASSESSMENT



#### ACTION POINTS

Control Area	Urgent	Important	Needs Attention	Operational
Cyber Risk Management	0	3	0	1
Engagement & Training	0	1	1	2
Asset Management	1	1	0	3
Architecture & Configuration	1	2	0	2
Vulnerability Management	0	3	0	2
Identity & Access Management	0	2	0	2
Data Security	1	2	0	2
Logging & Monitoring	0	2	0	3
Incident Management	0	3	0	2
Supply Chain Security	1	1	0	3
<b>Total</b>	<b>4</b>	<b>20</b>	<b>1</b>	<b>22</b>

#### SCOPE

This Cyber Security Audit focussed on the National Cyber Security Centre’s revised 10 steps to Cyber Security framework that covers Cyber Risk Management, Engagement and Training, Asset Management, Architecture and Configuration, Vulnerability Management, Identity and Access Management, Data Security, Logging and Monitoring, Incident Management and Supply Chain Security.

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## Introduction

1. Organisations are facing an increasing risk of Cyber incidents and Cyber-crime. A key step to reducing the risk and protecting organisations in this area is understanding the maturity of your organisation in terms of how Cyber risks are managed. The data within this report is derived from supporting management to review the robustness of controls in the following 10 recognised areas of Cyber Security:

• Cyber Risk Management	• Identity and Access Management
• Engagement and Training	• Data Security
• Asset Management	• Logging and Monitoring
• Architecture and Configuration	• Incident Management
• Vulnerability Management	• Supply Chain Security

2. The Cyber Security world is in need of a mature approach to managing cyber risk, because attackers continue to develop new threats beyond current knowledge. The fact that emerging threats are increasing is driving organisations to adopt a predictive attitude to address these threats. In order to protect themselves all organisations information assets and ICT systems need to be secured, managed and monitored.
3. Levels of recorded Cybercrime continue to grow. The Telephone-operated Crime Survey for England and Wales (TCSEW) showed that there were 1.9 million computer misuse offences in the year ending September 2021. This was an 89% increase compared with the year ending September 2019, largely driven by a 161% increase in “Unauthorised access to personal information (including hacking)” offences. This reinforces the need for users to implement robust e-Safety, including passwords based on “Three things” and not re-using the same password within multiple IT systems or websites. The National Cyber Security Centre (NCSC) provides guidance for sectors, and for users to help address the gap between good security and dangerous practices.

4. The Covid-19 Pandemic has also been instrumental in increasing risks associated with Cyber Crime. Many attacks are thematic in nature and continue to exploit users' interest in the latest pandemic news including around access to vaccinations. Coupled with a rapid IT transformation to enable home working with new IT systems and products, the associated likelihood of cybercrimes manifesting has also increased.
5. The potential impact from cybercrime can be of substantial damage to the operational capability of the organisation. Legislative impact is within the scope of the Data Protection Act 2018, which embodies the General Data Protection Regulations (GDPR). It requires data to be processed in a manner that ensures its security. This includes protection against unauthorised or unlawful processing, accidental loss, destruction or damage. This places a requirement on all organisations to ensure that appropriate technical and organisational measures are in place. The potential level of fines for Data Protection breaches (including as a result of hacking) are up to 20m Euros / £18m or 4% of global annual turnover whichever is the greater. In addition to the financial penalties, breaches cause significant reputational damage to affected organisations, including those using cloud based IT services.
6. The audit has assessed the effectiveness of controls in place to mitigate cyber security risks in the 10 areas and suggests recommendations to enhance the Council's approach to managing Cyber Security risks. This work was carried out between February and June 2022 by the Cyber Assurance team as part of the Internal Audit programme for 2021/22. The outcomes of the review have been raised against a backdrop of plans for both Council's to share new infrastructure and a move to a new shared office in 2023.

## **Summary**

7. The following positive points have been observed regarding each Council's approach to Cyber Security;
  - The Council's have a policy that covers Cyber Risk Management and responsibilities of staff to manage those risks.
  - The Council's provide all staff with cyber and information security training upon induction.
8. The review noted that management rated the Councils' dependency on Information technology as High and recognised that Cyber-crime was a significant risk. Management considered that untreated cyber risks were at a High level, which the content of this report supports. It was noted that at the time of the audit the Councils had not invested in improving cyber security measures in the last 12 months.
9. The Councils have not experienced any serious cyber incidents within the last 12 months. The most significant incident was an attempted phishing attack, which had a low impact and recovery was achieved within less than one day.



10. Where gaps have been identified management should consider the improvement recommendations within this report within the action plan to control and mitigate cyber risks. We note that there are serious weaknesses across every aspect of the scope, which all require urgent attention. All relevant policies and procedures are outdated; however we have attempted to recognise this without prejudicing the operational processes that may be present and could be judged as effective.
11. A series of Operational Effectiveness Matters points have also been raised within each area for management consideration.

## APPENDIX 4 – STATUS OF AGREED INTERNAL AUDIT RECOMMENDATIONS

			Completed bt 7 September 2022 to 11 January 2023			Previously reported to Committee as outstanding			(New) Outstanding			Total Outstanding	Not Yet Due for implementation		
			Priority 1	Priority 2	Priority 3	Priority 1	Priority 2	Priority 3	Priority 1	Priority 2	Priority 3		Priority 1	Priority 2	Priority 3
Audit Ref	Audit Area	Assurance Level													
<b>2019/20 Internal Audit Reviews</b>															
SNC2009	Income	Reasonable			1						0				
<b>2020/21 Internal Audit Reviews</b>															
SNC2102	Corporate Governance	Reasonable					1				1				
SNC2108	Key Controls and Assurance	Reasonable					1				1				
SNC2104	HR and Payroll	Reasonable					1				1				
SNC2112	Remote Access	Reasonable			1		1				1				
<b>2021/22 Internal Audit Reviews</b>															
SNC2206	Counter Fraud and Corruption	Limited							6		6				
SNC2201	Key Controls and Assurance	Reasonable		2						4	4				
SNC2203	Annual Governance Statement	Substantial					1				1				
SNC2207	Accounts Receivable	Limited		1	2			1	1		2				
SNC2208	Income	Reasonable							1	3	4				
SNC2209	Accountancy Services	Reasonable		1					1	1	2				
SNC2202	Performance Management, Business Planning	Reasonable					1				1				
SNC2214	Disaster Recovery	Limited	1	2		1	1		1	1	4				
SNC2211	Homelessness and Housing Options	Reasonable			1						0		2		
SNC2205	Corporate Health and Safety	Substantial								1	1				1
SNC2210	Covid-19 Business Grants	Reasonable					1				1				
<b>2022/23 Internal Audit Reviews</b>															
SNC2312	Community Assets	Reasonable									0		2	2	
<b>TOTALS</b>			<b>1</b>	<b>6</b>	<b>5</b>	<b>1</b>	<b>3</b>	<b>5</b>	<b>2</b>	<b>10</b>	<b>9</b>	<b>30</b>	<b>0</b>	<b>4</b>	<b>3</b>

## APPENDIX 5 – OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS – 2020/21

Job	Recommendation	Priority	Responsible Officer	Due Date	Revised Due Date	Number of times revised	Status	Latest Response
SNC2104 HR and Payroll	Recommendation 3: The audit trail in the payroll system be improved so that it is possible to view the authorisation details for all claims submitted, including the authorising officer and the dates submitted and authorised.	Important	Chief of Staff	30/06/2021	31/03/2024	5	Outstanding	The IT system implementation has now been postponed with a procurement exercise due to commence to appoint a new provider with implementation of the new system to be by the end of 31 March 2024. This recommendation will be addressed as part of that system implementation.
SNC2112 Remote Access	Recommendation 1: The newly developed ICT & Digital Change Management Policy be adopted into the wider SPARK Transformation Programme as a basis for Corporate change management.	Important	Assistant Director of ICT/Digital and Transformation	01/10/2021	N/A	3	Complete, awaiting evidence	A revised change management policy has been provided. Further requests have been made of the transformation team to ensure IT are involved as and when required on projects where change management protocol is required.

## APPENDIX 6 – OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS – 2021/22

Job	Recommendation	Priority	Responsible Officer	Due Date	Revised Due Date	Number of times revised	Status	Latest Response
SNC2214 Disaster Recovery	Recommendation 2. Council DR Plans be reviewed, updated, communicated and tested	Urgent	AD Transformation, Innovation and IT	01/11/2022	31/03/2023	1	Outstanding	<p>Reviewed the current plans. Agreed revised system and service recovery priority order.</p> <p>As part of the commissioning of the move to HCI the auto failover was tested and confirmed as functioning. As part of the move to Horizon we will need to invoke DR to move services from Thorpe Lodge to Cobb Lodge to facilitate the exit of Thorpe Lodge to Horizon. Dates to be clarified subject to the timeline of the commissioning of the Horizon Building.</p>
SNC2214 Disaster Recovery	Recommendation 3. Regular DR tests be scheduled and undertaken.	Urgent	AD Transformation, Innovation and IT	01/02/2022	30/04/2023	2	Outstanding	As above – regular DR tests will be scheduled post the move to Horizon.
SNC2214 Disaster Recovery	Recommendation 6. Ensure that appropriate staff have DR responsibilities and skills/knowledge is refreshed	Important	AD Transformation, Innovation and IT	01/11/2022	31/03/2023	1	Outstanding	This will be refreshed and aligned to the new/revised DR plan post the move to Horizon.
SNC2214 Disaster Recovery	Recommendation 5. Increasing the DR resilience at both Broadland and South Norfolk councils by sharing DR services be formalised.	Important	AD Transformation, Innovation and IT	30/06/2022	N/A	1	Complete, evidence verification	Internal Audit have been advised that this recommendation is complete. A Disaster Recovery- Priority Order for System Recovery document was provided as evidence. Documentation has been provided to ICT audit to determine whether the recommendation can be closed.
SNC2206 Counter Fraud and Corruption	Recommendation 3: A Counter Fraud and Corruption Strategy be devised, applying to all aspects of the Councils' business. This should be communicated throughout the Councils and acknowledged by those charged with governance. A strategy provides a framework for preventing and tackling bribery, fraudulent and corrupt acts against the Councils.	Important	AD Finance	30/04/2022	30/04/2023	4	Outstanding	Both BDC and SNC have now approved the delegation of the fraud service to ARP. ARP are now progressing with their internal governance processes. The likely start date for the new fraud service is 1st April 23, and the recommendations will be addressed once the new service is up and running.

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SNC2206 Counter Fraud and Corruption	Recommendation 4: Proactive work be undertaken to raise awareness of potential fraud.	Important	AD Finance	30/04/2022	30/04/2023	4	Outstanding	Update as above.
SNC2206 Counter Fraud and Corruption	Recommendation 5: A programme of work be introduced to improve staff awareness and responsiveness to fraud across the Council.	Important	AD Finance	30/04/2022	30/04/2023	4	Outstanding	Update as above.
SNC2206 Counter Fraud and Corruption	Recommendation 6: An annual fraud plan be devised, agreed by committee and reflect resources mapped to risks and arrangements for reporting outcomes. This plan should cover all areas of the local authority's business and include activities undertaken by contractors and third parties or voluntary sector activities.	Important	AD Finance	30/04/2022	30/04/2023	4	Outstanding	Update as above.
SNC2206 Counter Fraud and Corruption	Recommendation 7: The Councils to introduce an official programme to publicise fraud and corruption cases internally and externally, which is positive and endorsed by the council's communications team.	Important	AD Finance	30/04/2022	30/04/2023	4	Outstanding	Update as above.
SNC2206 Counter Fraud and Corruption	Recommendation 9: A fraud and corruption response plan should be devised to cover all areas of counter fraud work: prevention, detection, investigation, sanctions and redress.	Important	AD Finance	30/04/2022	30/04/2023	4	Outstanding	Update as above.
SNC2207 Accounts Receivable	Recommendation 2: Sundry Debt reports to be run and reviewed regularly, with action taken as appropriate. Additionally, a plan should be developed to address the backlog of aged debts that has accrued during Covid-19, with progress against the plan monitored	Urgent	AD Finance	30/09/2022	31/03/2023	2	Outstanding	Financial Transactions Supervisor currently working on debt recovery as an on-going task. Debt recovery meetings will resume for Commercial Property in January 2023.
SNC2207 Accounts Receivable	Recommendation 3: Both Councils to take all steps to recover outstanding debts, including legal	Important	AD Finance	31/12/2022	N/A	0	Outstanding	Policy/Procedure reviewed and further detailed process/procedure agreed and updated in debt recovery

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	action, with documented decisions and rationale maintained for individual debts.							policy/procedure under 6.2.1 of debt recovery policy. Further evidence of the recovery of debts in accordance with the policy has been requested.
SNC2209 Accountancy Services	Recommendation 2: The preparer and reviewer name and date should be recorded on each reconciliation. Any reconciliation lacking these sign-offs should be completed retro-actively.	Important	AD Finance	30/09/2022	31/01/2023	2	Outstanding	Financial Transactions Manager is working on getting up to date with reconciliations.
SNC2208 Income	Recommendation 2: Management to implement controls to ensure exception/suspense account reports are run daily and promptly investigated, with evidence of their completion maintained.	Important	AD Finance	31/10/2022	31/01/2023	1	Outstanding	New procedure in place from January 2023 for Financial Transactions Supervisor to check once per month and sign and review for audit evidence.