

Appendix 2 : EFDC Internal Audit Recommendation Tracker (Overdue and High Priority)

Last updated: 05 02 2024

Audit Year (Date Report Issued)	Rec Ref	Original Recommendation	Priority	Managers Original Response	Responsible Officer / Service Director	Original Imp Date	Revised Imp Date	Status Update from Management	Status
<p>Harlow Gilston Garden Town 2019/20 Issued July 2020</p>	<p>1</p>	<p>To clarify the accountability and extent of any liability of each partner in the HGGT a signed overarching agreement between the councils should be prepared. This will include a data sharing agreement. Arrangements regarding the recovery of costs incurred by the councils should be agreed by all parties and included in the agreement.</p>	<p>Med</p>	<p>Work is now well underway on the next steps to establish Combined Delivery Service following Board decision on 10 Feb 2020. Legal work is underway to clarify arrangements and delegations for the CDS Link to HIG delivery and governance</p>	<p>HGGT Director HGGT Project Manager HGGT Programme Manager</p>	<p>Political and corporate agreement to proposals – 31/03/21 Shadow structures then up and running Formal decision making will need to follow the local election period – 30/09/21</p>	<p>31/03/22 31/12/22 31/03/23 31/03/24</p>	<p>May 21: HGGT Solicitors, Weightmans, are developing a partnership agreement between all the HGGT partners. Jul 21: Lead Members and Lead Officers of all five Partner authorities are meeting to progress this. Sep/Oct 21: An HGGT Governance Review Task and Finish Group has been established to take forward the formalisation of governance arrangements for HGGT. The Task and Finish Group agreed for further work to be undertaken towards the establishment of a Joint Committee. Jan 22: Work to put in place a Joint Committee continues to progress. Given the scale and complexity of the work, the timescales have been pushed back and are now looking for formal approval in summer 2022. The Partner Councils will be taking a stage 1 sign-off report through their formal decision-making processes to seek agreement 'in principle'. Jun 22: The stage 1 governance report was approved by all five Partner</p>	<p>Overdue</p>

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								<p>Councils and detailed work is progressing. The Partnership will formally consult with Members in September 2022 with final draft proposals. An update report is being taken to the HGGT Board on 13 June 2022.</p> <p>Aug 22: A report setting out the legal Joint Delegations Framework will go to HGGT Board 13 Sept 2022. This will include a recommendation to return in Dec 22 with a Inter Authority Agreement formally addressing cost and risk sharing. Subject to approval by all five council partners, anticipate a go live to the Joint committee and IAA for start of municipal year 2023.</p> <p>Nov 22/Feb 23: The HGGT Board endorsed the legal Joint Delegations Framework in Sept 2022. The Inter Authority Agreement formally addressing cost and risk sharing will go to the Board in Feb/March 2023 subject to agreement by the 5 Council partners on which local authority will be the Accountable Body for the partnership in the future. Subject to approval by all five council partners, anticipate a go live to the Joint committee</p>	

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								<p>and IAA in the municipal year 2023.</p> <p>Jun 23: The HGGT Board endorsed the legal Joint Delegations Framework in Sept 2022. The Inter Authority Agreement (IAA) formally addressing cost and risk sharing will now go to the Board in June 2023. Anticipate a go live of the Joint committee and IAA in the municipal year 2023/24.</p> <p>Nov 23: Board members endorsed the proposal to establish a Joint Committee, and the matter has now been referred to the governing bodies of the respective five partner authorities for ratification.</p> <p>Jan 24: All five council partners have now formally agreed to enter into the Inter Authority Agreement and set up the HGGT Joint Committee. The Deed is currently being executed and subject to that, the first Joint Committee will be held in June 2024.</p>	

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<p>Key Financial Controls – Fixed Assets 2019/20 Issued November 2020</p>	3	Detailed Fixed Asset financial procedures be drafted, and to include a section on year-end processes.	Med	Detailed financial procedures will be developed and documented alongside updated Financial Regulations.	Chief Financial Officer	30/09/21	31/08/22 31/12/22 31/03/23 20/09/23 31/03/24	<p>Nov 21/Feb 22: A Senior Finance Business Partner has been appointed to cover HRA, Capital and Projects. The Capital role includes responsibility for the Fixed Asset Register (FAR). Processes are being reviewed as well as understanding how the CIPFA asset system works and how it feeds into the year-end processes.</p> <p>Jun 22: Process notes will be compiled (including the roll forward of the FAR through to closedown). It will take time to do this and is dependent on how well the closedown goes.</p> <p>Aug/Nov 22/Feb 23: Due to the late running 2020/21 audit, there was a substantial delay in getting clearance from the external auditors to roll forward the Fixed Asset Register into 2021/22. This led to a condensed timetable for preparing the 2021/22 Statement of Accounts and officers did not have to time to document the system at that point as planned (key content includes the roll forward process) and 'rough notes' were taken during the subsequent closedown</p>	Overdue

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								<p>process. The Capital team are now committed to completing the task in Quarter 3 (i.e. by 31st December 2022) when clearance is anticipated from the external auditors to roll forward the Fixed Asset Register from 2021/22 into 2022/23.</p> <p>Jun 23/Nov 23/Jan 24: Work has started on the procedure notes. This is included in 2023/24 Finance Service Plan.</p> <p>Jan 24: The team had a member on long-term sick leave which impacted on ability to complete the process notes. The aim is to draft the procedure notes during the year-end process 2023-24.</p>	
<p>Procurement and Contract Issued January 2022</p>	3	<p>(a) Procurement Rules are revised to clarify that the Procurement team should be notified before officer's sign contracts on behalf of the Council. purchase orders are raised contract extensions.</p>	Med	<p>Amendments to the Rules can take some time to implement due to the Governance process.</p>	<p>Team Manager – Procurement and Contract Management</p>	31/03/23	31/03/24	<p>Jun 23: (a) This change has not yet been made. The Rules were only changed in January 2022 and therefore more time is needed to formally review and amend Procurement Rules.</p> <p>Nov 23/Jan 24: The process of updating Procurement Rules is still to be completed. Some additional amendments are required as part of a larger piece of work to align</p>	Overdue

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								the Council with other authorities within the Shared Procurement Service which have not yet fully been determined, and these changes will be made at the same time as part of a single Governance process.	
Treasury Management Issued May 2022	1	Treasury Management risks and the associated control framework are detailed within the Finance Risk Register or a separate Treasury Management Risk Register. The risk and mitigating controls be linked to the CIPFA Treasury Management practice notes. Risks need to include the absence of adequate business continuity planning arrangements.	Med	The absence of a Service Risk Register reflects the Council's current Risk Management Framework and is consistent with other services. The recommendation is supported and, at the time of responding to this report, the Corporate Risk Management Working Group is considering a range of measures designed to strengthen current Risk Management arrangements; especially the management of operational risk and is likely to recommend the widespread introduction of Service Risk Registers.	Chief Financial Officer and Deputy S151 Officer & Principal Accountant.	31/12/22	30/06/23 31/03/24	Feb/Jun 23: Risk management training by Zurich is being rolled out corporately in February 2023 following which service risk registers will be developed. Treasury management risks will be included in the finance risk register. Nov 23: The service risk register is currently being developed. Jan 24: Treasury Management Risks and their mitigation are identified as part of the Council's Treasury Management Strategy every year and are monitored through the treasury management report to the Audit and Governance Committee.	Overdue

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Council House Building Issued June 2023	2	<p>Controls be strengthened with the Head of Development developing:</p> <ul style="list-style-type: none"> a process flow diagram to detail the approval processes at each gateway (go / no go) stage of the development of a scheme; and a log of the approval dates and references to the approval documents for each scheme when it is approved to progress to the next stage. 	Low	<p>A process diagram by July 2023.</p> <p>Approval dates are saved on file for both cabinet and planning approvals, so this does present some duplication of work. However, the inclusion of these dates in an overall programme file will be completed during June 2023.</p>	Service Manager Housing Development	31/07/23	31/12/23 31/03/24	<p>Nov 23: A process flow diagram is being developed</p> <p>Jan 24: A draft process map has been prepared and is awaiting approval.</p>	Overdue
Stolen Van investigation Issued June 2023	1	<p>a) A corporate policy/ formal process should be put in place for ensuring all appropriate Council owned fleet vehicles have a tracker installed and this is shared corporately including the fleet services team.</p> <p>b) A corporate asset register of all Council</p>	Med	<p>a) A draft policy will be prepared for approval that will include the requirement for all Council owned fleet to have a tracker installed.</p> <p>b) A corporate asset register already exists within finance, will ensure this will include tracker information.</p>	Service Manager Technical/ Insurance Specialist	30/06/23	31/01/24 31/03/24	<p>Nov 23/Jan 24: A draft policy is being prepared which will cover all the arrangements concerning fleet vehicles and trackers. The policy will include the responsibilities of services around ensuring fleet vehicles taken home are used for work purposes only and mileage, fuel usage and insurance are monitored and checked on a 3 monthly basis</p>	Overdue

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		<p>owned new and older fleet vehicles should be created, including tracking information, how and where vehicles are stored when not in use.</p> <p>c) A formal process should be put in place where a tracker is required to be removed and vehicle disposed of and that approval/ authorisation by a service manager or above must be sought and documentation retained explaining the business case why this is occurring.</p> <p>d) The fleet team should follow a strict protocol that no tracker be removed unless they have a copy of the approval given and this is retained as evidence.</p> <p>e) Services/teams should take ownership of the fleet vehicles in their use/care and that a record of fleet vehicles with and</p>		<p>How and where vehicles are stored is the responsibility of the relevant services not Fleet.</p> <p>c) Formal process for approval or transfer and/or disposal including tracker information as required will be implemented.</p> <p>d) See points b and c above.</p> <p>e) Confirmation of responsibility for Council-owned Fleet will be sent to Service Managers.</p>				<p>to ensure vehicles are not used for personal use.</p>	

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		without trackers are identified and recorded.							
Stolen Van investigation Issued June 2023	4	An email should go out to all appropriate staff who drive and have access to the Council's vehicles to inform them of the incident of the stolen vehicle and to ensure all staff remain vigilant and take the appropriate safety precautions including reporting any suspicious activity. (i.e. attempts to break into vehicles).	Low	This is the responsibility of individual services, will ask that some comms are circulated around fleet responsibility.	Service Manager Technical/ Insurance Specialist	31/07/23	31/01/24 31/03/24	Nov 23/Jan 24: A reminder email will be issued along with the policy.	Overdue
Sundry Debtors Issued June 2023	3	ASH should be reconciled to eFinancials quarterly and any differences investigated and corrected promptly.	Med	The Interim Chief Financial Officer commissioned a detailed review of the reconciliation in August 2022 and significant differences, including a missing unallocated cash batch file (approximately £400,000) from the previous sundry debt system (AIMS), which had not been uploaded into the ASH system, were identified. On 31 October 2022 an unexplained difference of £113,736 remained and	Interim Chief Finance Officer	31/12/23	30/06/24	Jan 24: There has been some progress made since October 2022 in investigating the unexplained difference identified. The AIMS system has been decommissioned and the ASH system contract is nearing the end. Progress has been made on the monitoring of the daily interface from ASH to eFinancials that have eliminated duplicate uploads and ensuring that all the interfaces have been uploaded. This ensures the	Overdue

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				officers are still working on resolving this.				accuracy on the transactional level. There are still issues however with the reconciliation of the balances at the period end. The AST Team is working closely with the Debt Recovery Team to reconcile the two systems.	
Sundry Debtors Issued June 2023	6	The Sundry Income and Debt policy should be updated to reflect current roles and responsibilities, and current working practices, including the recovery profiles available on ASH.	Med	The Sundry Income and Debt policy is under review.	Corporate Debt Team Manager	31/12/23		Jan 24: awaiting update	Overdue
Qualis Property Solution - KPIs and Payment Mechanisms Issued June 2023	1	The Council and Qualis Property Solutions should agree on the annual benchmarking data to be reported to Members. Qualis Property Solutions annual performance reporting should be presented to Stronger Communities Select Committee and/or Overview and Scrutiny Committee prior to Cabinet to	High	A comprehensive independent review of QPS performance and VFM was commissioned from Housemark; report received early June 2023. A report is going to Communities Select Committee 27 June 2023. Annual benchmarking via Housemark is to be agreed and arranged in due course with reporting annually to Communities Select Committee.	Interim Housing and Property Director/ Qualis Property Solutions (QPS) Managing Director	31/03/24		Nov 23: The review was reported to the Communities Select Committee in June 2023 at which it was agreed that further work would be undertaken to understand and resolve the issues and the results be reported back to the Committee. It was agreed that an annual benchmarking review of the Housing Repairs arrangements will be commissioned. Jan 24: Membership of Housemark in place, on-boarding session underway Jan & Feb 2024. Membership	In progress

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		allow greater scrutiny and challenge, as it involves the management of public resources.						includes monthly submission of performance data plus annual reporting / benchmarking. Key EFDC and QPS Leads engaged in on-boarding including Finance colleagues from EFDC. Housemark data will include performance and Financial benchmarking. Annual reporting to Committees will be undertaken.	
Qualis Property Solution - KPIs and Payment Mechanisms Issued June 2023	2	An independent review of Qualis Property Solutions should be commissioned, and the Service Level Agreement (SLA) revisited. The review should include determining the actual proportion of standard to non-standard charges for 2021/2022 to check whether the basis of the costs in the SLA is fair.	High	The Housemark benchmarking report reviewed these areas, the findings from which require a further deep dive with a view to making amendments to form, function and process. An improvement action plan will arise from the Housemark report with items, including this, for action.	Interim Housing & Property Director/ Interim Head of Assets	31/03/24		Nov 23: Progress is being made on reviewing the Housemark report and drawing up an improvement action plan. Jan 24: A review of the SLA is currently underway and involves EFDC and QPS colleagues. The price structure for 2024/25 is already in place. The revised SLA aims to set pricing structure for 2025/26 following collation of Housemark data during 2024.	In progress