

ISLE OF ANGLESEY COUNTY COUNCIL		
Report to:	Governance and Audit Committee	
Date:	20 April 2021	
Subject:	Outstanding 'Issues/Risks'	
Head of Service:	Marc Jones Director of Resources / Section 151 Officer 01248 752601 MarcJones@ynysmon.gov.uk	
Report Authors:	Marion Pryor Head of Audit and Risk 01248 752611 MarionPryor@ynysmon.gov.uk	Nanette Williams Principal Auditor 01248 751809 NanetteWilliams@ynysmon.gov.uk
Nature and Reason for Reporting: The Governance and Audit Committee's terms of reference provide a responsibility for it to monitor the implementation of agreed actions. This report provides an update on the status and detail of the outstanding risks that Internal Audit has raised.		

1. INTRODUCTION

- 1.1. In March 2020, the Council implemented a new and upgraded version of its action tracking system 4action. This has facilitated more effective monitoring and reporting on issues/risks identified during audit work.
- 1.2. We have developed a dashboard, which displays a real-time snapshot of current performance in addressing outstanding actions and facilitates effective tracking and reporting of this information. The Head of Audit and Risk regularly shares this dashboard with the Governance and Audit Committee as part of her internal audit update reports.
- 1.3. Prior to the upgrade of the 4action system, the Governance and Audit Committee received a report of all the outstanding 'Issues/Risks' twice a year. This will be the first time we have presented a detailed report to the Committee, outlining overall performance in addressing audit actions, since the implementation of the new 4action system.

2. RECOMMENDATION

2.1. That the Governance and Audit Committee:

- notes the Council's progress in addressing the outstanding Internal Audit 'Issues/Risks'.
- determines the frequency it requires a more detailed report of this nature.



OUTSTANDING ISSUES / RISKS

APRIL 2021

Marion Pryor BA MA CMIIA CPFA, Head of Audit & Risk

Nanette Williams BA (Hons) CMIIA, Principal Auditor



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INTRODUCTION

This year has seen the first full year following the implementation of a new and upgraded version of the Council's action tracking system 4action. We are pleased to report that the new system has proved very successful in improving our internal audit follow up and action tracking processes.

We have developed and refined our dashboard, which displays a real-time snapshot of current performance in addressing outstanding actions and allows us to effectively track and report this information. We continuously monitor 'overdue' actions and so are able to promptly obtain updates from management on their progress with addressing them.

We have also developed a bespoke service dashboard to assist Heads of Service and their management teams in monitoring and providing updates on their actions. We are currently piloting this with the Resources service and if successful will continue to roll out further across the Council during 2021-22. Unfortunately, the Covid-19 emergency has limited our ability to roll out the new 4action system to services and provide training etc. so that management are able to fully utilise its functionalities. As the pandemic subsides, we will resume this work.

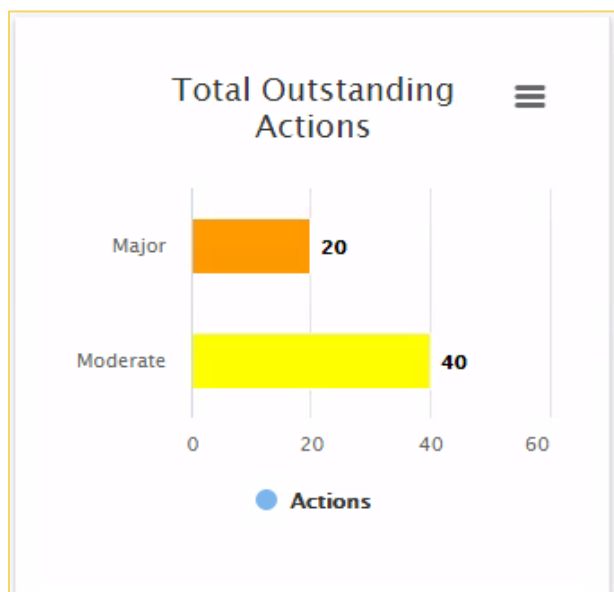
CURRENT PERFORMANCE

The following seven graphs show the position of outstanding actions across the Council as at 31 March 2021. Inevitably, the impact of the Covid-19 emergency on some services has affected their ability to address their outstanding actions over the past year.

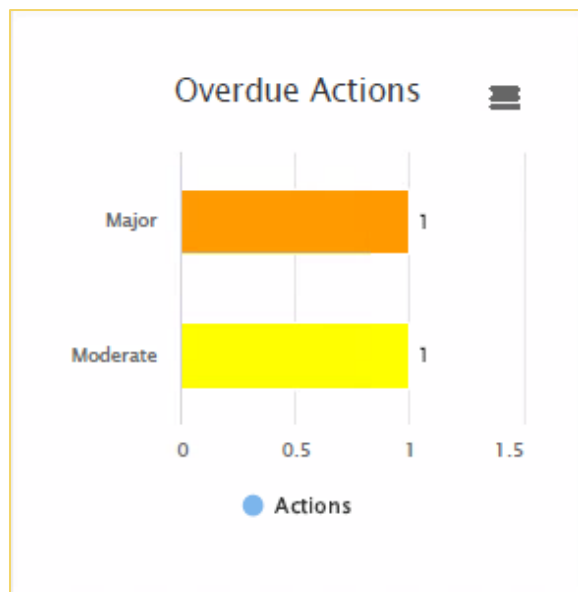
It should be noted that no 'Red' issues/risks were raised during the year and there are no Red 'issues/risks' currently outstanding.

Outstanding and Overdue Actions

1



2



As at 31 March 2021, we are tracking 60 outstanding actions in 4action. Of these, 20 are rated 'major' (amber) and 40 'moderate' (yellow) in risk priority, as shown in graph 1.

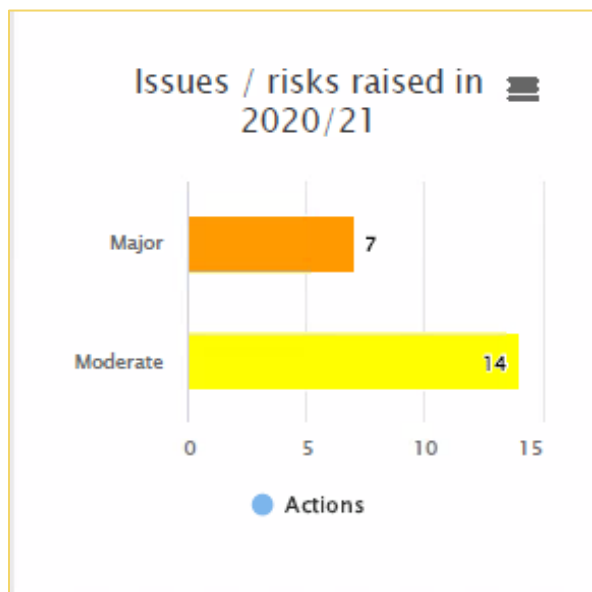
We actively monitor all actions and pursue them with management when they become overdue to ensure they are addressed. There are currently two actions that have reached their target date and have become 'overdue', as shown in graph 2.

The overdue 'major' rated action relates to training for IT staff with regards their responsibilities in the event of an IT incident requiring recovery action. Work is underway to address this and as we will shortly be carrying out a formal follow up of the IT Resilience audit in April 2021, we will determine progress for this action at this time.

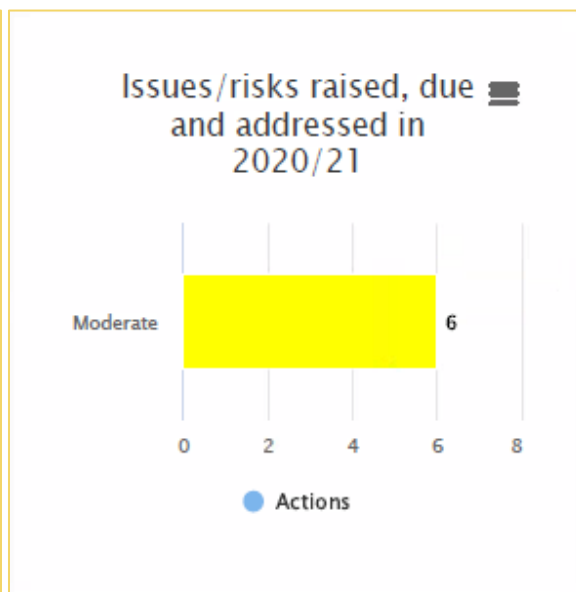
The overdue 'moderate' rated action relates to the need for regular, independent, checks of payroll reports. This action is now mostly complete with the process and responsibility for these checks established. However, it now needs to embed within the service as a routine task.

Issues / Risks Raised and Due in 2020/21

3



4



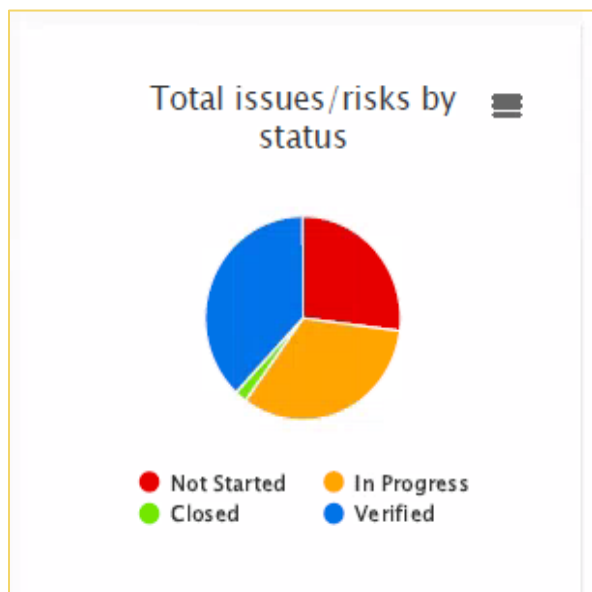
As a result of our internal audit work in 2020-21, we raised a total of 21 'issues/risks' that required management attention. Of these, we classified 7 as 'major' and 14 as 'moderate'.

Of the actions that we raised and subsequently became due for completion in 2020-21, management had addressed six of moderate risk priority before 31 March 2021. This represents 100% performance in this area.

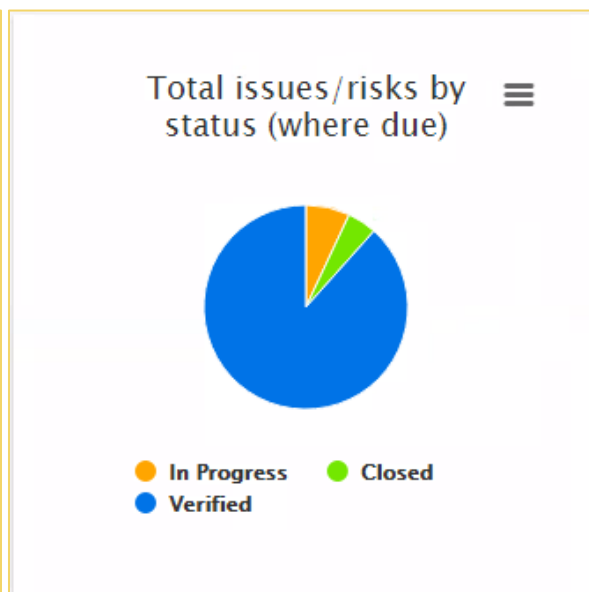
All six related to the Covid-19 self-assessment audit that we carried out in the early stages of the pandemic in April 2020. The purpose of the review was to determine whether the Council had safe, robust, effective and fit for purpose emergency response arrangements at this early stage of the emergency. We followed up the action plan in May 2020 and found that management had addressed all six.

Status of Issues / Risks

5



6



The graphs above show the current *status* of all actions, i.e. whether they are ‘in progress’, ‘not started’ or ‘closed’ if the action has been addressed. We verify all ‘closed’ actions to ensure we are satisfied that the action taken by management has addressed the risk originally identified.

Graph 5 shows the status of all actions irrespective of the date management agreed to address them by. It shows that management have now addressed 40% of them. Internal audit have verified 38% of these. The remaining 2% relate to actions from an audit of IT Resilience, which as detailed earlier, we will be following up formally in April 2021. We will verify completion of these actions during this piece of work.

Around half of the actions shown here as ‘not started’, relate to two audits finalised towards the end of the year, namely, ‘Payments - Supplier Maintenance’ and ‘Corporate Parenting Panel’. Therefore, actions identified as a result of these audits are not yet due for completion.

In contrast, Graph 6 shows the status of all actions that have reached their target date. It shows that of these, management has addressed over 90%, with work in progress for the remainder. We must note however, that we will on occasions extend target dates for some actions, but only if the service can demonstrate a legitimate reason for the extension, e.g. it becomes clear that the original target date is unachievable, as significantly more work is needed to address the issue/risk.

Due to the Covid-19 emergency, we have extended several target deadlines for services whose priority over the last 12 months has clearly been focused on responding to the pandemic.

Outstanding Issues / Risks by Year

7



As detailed above, there are 60 outstanding actions that have yet to be fully completed.

These are spread between 2014/15 and 2020/21. While the graph indicates the majority relate to the last two financial years, it does however highlight a small number of old actions that management has yet to fully address. The 'oldest' dating back to 2014/15 and relates to the need for regular, independent, checks of payroll reports, as detailed earlier in this report. As reported, work is well underway to address this and management has assured us it will be completed shortly.

The outstanding action from 2015/16 relates to the requirement for services to provide assurance that their procurement activity is effective in the annual service challenge process. Again, work is underway to address this and we expect this will be addressed in time for the next service challenge process.

It should be noted that both of these 'old' actions are rated 'moderate' in risk priority. However, we will endeavour to pursue all outstanding actions to ensure completion.