

# Risk, Audit and Governance Committee

11 February 2025

Agenda item number 11

## Implementation of internal audit recommendations summary of progress

Report by Senior Acocuntant

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### Summary

This report gives a summary of progress in implementing Internal Audit recommendations arising out of audits carried out during 2020/21, 2022/23, 2023/24 and 2024/25.

### Recommendation

To note the report.

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## 1. Introduction

- 1.1. This report gives an update on implementing the Authority's Internal Audit report recommendations, focusing on outstanding recommendations and timescales to complete outstanding work.
- 1.2. Appendices 1, 2, 3 and 4 give details of the audits carried out in 2020/21, 2022/23, and 2023/24, in particular:
  - Recommendations not yet implemented;
  - Recommendations implemented since the last meeting; and

- New recommendations since the last meeting.

## 2. Summary of Progress

- 2.1. The recommendation 3 Pilotage (Port Marine Safety Code - June 2021) has been updated to 20<sup>th</sup> February 2025 as the Authority is now in the consultation period which ends on that day.
- 2.2. The recommendation 1 on the Health & Safety at Work policy from July 2022 - Corporate Health and Safety was implemented December 2024.
- 2.3. We are unable to progress with the actions to Port Marine Safety Code – November 2023 until the Marine and Coastguard Agency (MCA) opens up a compliance window which will be launched six months after the publication of the Code. These have been updated in the appendix.
- 2.4. The actions on the Corporate Governance and Risk Management from February 2024 have been updated in table 4.

## 3. Internal Audit Programme 2024/25

- 3.1. Since this report to the Committee in November 2024 two audits have been undertaken. The Cyber Security audit has taken place from August 2024 and the Authority is awaiting a feedback from the auditors, the results of which will be reported to the July committee. The Key Controls audit has taken place in October 2024 – December 2024 and a final report was issued in January 2025 with a “substantial assurance” audit opinion.

## 4. Key Controls

- 4.1. This audit looked at the fundamental systems that feed into the statement of accounts to provide assurance on the key financial controls. The areas reviewed as part of this audit were: Treasury Management/Investments, General Ledger, Asset Management, Budgetary Control, Accounts Receivable, Accounts Payable, Toll Income, Control Accounts, Payroll and Follow Up of Internal Audit Recommendations. This resulted in a “substantial assurance” audit opinion with no formal recommendations raised.
- 4.2. Adequate controls were found to be in place for Treasury Management/Investments; Asset Management; Budgetary Control; Control Accounts; Accounts Receivable; Toll Income; Payroll; Journals; Cash and Bank. Good practice was noted in relations to these.
- 4.3. A previous recommendation for the Asset Management Strategy (AMS) has been implemented with the Authority’s updated version effective from the 12th April 2024. This AMS will be reviewed every three years or more frequently if significant changes arise.

- 4.4. The budget for 2024/25 was approved on the 26th January 2024. The proposed navigation charges for 2024/2025 in the navigation area and adjacent waters was approved on the 24th November 2023.
- 4.5. Notices of contraventions (unpaid tolls) are monitored and adequately documented on both the Tolls Management System (TMS) and SharePoint with audit trails maintained of recovery action. Recovery action was/and is being promptly taken.
- 4.6. Data analysis was undertaken on the full population (596) of purchase orders (POs) raised since 1st April 2024 to date to verify that all POs were authorised within the users' delegated authorisation limits. The review confirmed that all POs adhered to the delegated limits as outlined in the Broads Authority's authorised signatory list with no instances of non-compliance identified.
- 4.7. The Broads Authority changed payroll provider from Norfolk County Council to Durham County Council on the 1st April 2024. Checks and measures are in place, including segregation of duties, to ensure the accuracy of payroll including those for joiners/leavers, third-party payments, expenses, and mileage claims, before payments are made. Monthly pay runs are authorised in accordance with the Broads Authority's List of Authorised Signatures; there are only four officers that can authorise the payroll.

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[Broads Plan](#) strategic objectives: All

Appendix 1 – [Summary of actions and responses to Internal Audit 2020/21](#)

Appendix 2 – [Summary of actions and responses to Internal Audit 2022/23](#)

Appendix 3 – [Summary of actions and responses to Internal Audit 2023/24](#)

## Appendix 1 – Summary of actions and responses to Internal Audit 2020/21

**Table 1**

Port Marine Safety Code – June 2021

Recommendations	Priority Rating	Responsible Officer(s)	BA Response/action	Timetable
<p><b>3. Pilotage</b> Finalise the arrangements for General Directions for larger vessels. This helps mitigate the risk that sufficient navigation rules are not in place and navigation of the broads is not managed as effectively and safely as required, in relation to larger vessels</p>	Important	Head of Ranger Services	<p>General Directions are rarely used by Broads Authority - most directions are 'Special'. This requirement will require legal inputs and cost benefit analysis to assess its viability. Current requirements are met using Special Directions.</p> <p>Update: Due to the lack of large vessels navigating our waters the need for a General Direction has not arisen for a number of years and if it did, we could deal with it under Special Directions. This item has been deferred to allow for a review of what is appropriate which will need specialist maritime legal advice.</p> <p>Update: The factors driving this work have changed since the paper went to committee in 31/10/2021. Updated to 28/02/2023. Updated to 31/12/2023 Audit and Risk Committee, 14 March 2023, agenda item number 12 6 Recommendations Priority rating Responsible Officer(s) BA response/action Timetable 2019, with COVID-19 and the long-term closures of</p>	<p>By 31/10/2021 Updated to 28/02/2023 Updated to 31/12/2023 Updated to 31/03/2024. Updated to 31/10/24. Updated to 31/01/2025. <b>Updated to 20/02/2025</b></p>

Recommendations	Priority Rating	Responsible Officer(s)	BA Response/action	Timetable
			<p>bridges on the lower Yare both affecting this. Control measures remain in place to control the risk through Special Directions which can be given ahead of each vessel movement. With very limited vessel movement over the last few years the requirement to put in place a General Direction to cover all larger vessel movements is now less of a priority against other projects. The Pilotage Policy is currently being reviewed as part of the wider Safety Management System review.</p> <p>Update: Full review of Pilotage undertaken by Marico Marine. A paper was taken to Navigation committee and Broads Authority, both in January accepting recommendation that a General Direction be put in place to restrict vessel size subject to a risk assessment being carried out to determine if the vessel size subject to a risk assessment being carried out to determine if the vessel can be safely accommodated on the system. Legal advice is currently being sought on this proposal and what a general direction would need to include.</p> <p>Update: we are continuing with legal advice. A draft General Direction has been produced. Once legal advice is received the</p>	

Recommendations	Priority Rating	Responsible Officer(s)	BA Response/action	Timetable
			<p>general direction will need a six-month/42-day consultation period. As the Navigation Committee are one of the Statutory Consultees this will go to the meeting in Jan 2025.</p> <p><b>Update: we are in the consultation period which ends 20<sup>th</sup> February 2025</b></p>	

## Appendix 2 – Summary of actions and responses to Internal Audit 2022/23

**Table 2**

Corporate Health and Safety – July 2022

Recommendations	Priority Rating	Responsible Officer(s)	BA Response/action	Timetable
<p><b>1. Health &amp; Safety at Work policy</b> The Health and Safety at Work Policy be reviewed and updated, if necessary, in line with the defined cyclical timescales. This will mitigate the risk of Health and safety issues arising due to outdated policy.</p>	Needs Attention	Head of Safety Management	<p>Agreed. Whilst reading documentation for the H&amp;S audit we recognised that our current policy required updating. This review has started, and we have carried out the initial scoping to understand what the new H&amp;S policy needs to achieve. The task has been identified as a priority IPR objective in 2022/23 performance year.</p> <p>Update: Currently being reviewed with the aim that the policy will be implemented on 1st April 2023.</p> <p>Update: The review date has been updated to December 2023.</p> <p>Update: The Health &amp; Safety Policy is still in its draft stage as it needs to incorporate the BA's SMS.</p> <p>Update: The Health &amp; Safety Policy review begun in December, but the Head of Safety Management then retired, and the document was not completed. A new date for completion has been set for March 2025</p>	<p>By 01/04/2023 Updated to 31/12/2023 Updated to 30/06/2024 Updated to 31/03/2025 <b>Completed.</b></p>

Recommendations	Priority Rating	Responsible Officer(s)	BA Response/action	Timetable
			<p>to allow for the recruitment and induction of a new Head of Safety Management.</p> <p>Update: The revised Health, Safety and Wellbeing policy was presented to the Broads Authority on 20 September 2024. Subject to a minor amendment it will be reconsidered by the Broads Authority on 29 November 2024.</p> <p><b>Update: new Broads Authority Health, Safety and Wellbeing policy was approved the Broads Authority on 29 November 2024, it has subsequently been signed off by John Packman and is now available and published.</b></p>	



## Appendix 3 – Summary of actions and responses to Internal Audit 2023/24

**Table 3**

Port Marine Safety Code – November 2023

Recommendations	Priority Rating	Responsible Officer(s)	BA Response/action	Timetable
<p><b>4. Review and Audit</b> Action to be taken to ensure that an appropriate compliance statement is made by the Duty Holder when this is next required by the MCA (likely to be in March 2024). This includes ensuring that appropriate reporting mechanisms are in place in line with the recommendations above, to enable the Duty Holder to make such a statement.</p>	Important	Head of Safety Management	<p>We will contact the MCA and discuss the compliance report, the timing and format to ensure we are consistent with other PMSC duty holders.</p> <p>Update: The MCA still needs to open the window to allow compliance to be reported. RR registered with the MCA, and when the reporting window opens, will be notified and able to document the Authority's compliance with the code.</p> <p><b>The DfT said the new edition PMSC sits with the Minister and awaits Ministerial sign-off and is expected to be published during February or early March. The code will be renamed as the Port and Marine Facilities Safety Code to emphasise the inclusion of non statutory harbour authority facilities into the code requirements.</b></p> <p><b>The MCA detailed the updates to the Guide to Good Practice which they suggested will align better with the structure of the revised Code and said this should be published alongside the Code. However, in</b></p>	<p>By 31/07/2024 Update: TBA and the Authority will be notified by the MCA</p>

Recommendations	Priority Rating	Responsible Officer(s)	BA Response/action	Timetable
			<p>terms of the Duty Holder and Designated Person the key principles of the Code will remain as they currently are now.</p> <p>It is anticipated that the 2025 PMSC Compliance Exercise will be launched six months after the publication of the Code so that ports and their Duty Holder shall have time to consider the new edition Code and associated GtGP and any changes that maybe necessary to make to enhance code compliance</p>	

**Table 4**

Corporate Governance and Risk Management – February 2024

Recommendations	Priority Rating	Responsible Officer(s)	BA Response/action	Timetable
<p><b>1. The Local Government Act 1972</b> Add expectations for attendance and consequences for non-attendance to the Members’ Code of Conduct.</p>	Needs Attention	Senior Governance Officer	<p>This will be reviewed as part of the next members code of conduct update. The next review is due within the next 12 months. Governance will continue to monitor absence and notify members where they maybe in risk of breaching the 6-month rule. It will continue to be highlighted to new members via the terms and conditions.</p> <p><b>Update: The Code of Conduct is being reviewed by the Standards Committee on 20 February 2025. As part of the review, SGO consulted the Authority’s Monitoring Officer and his view is that it would not be appropriate to include this in the Code of Conduct. His recommendation is that we include in the Members’ Handbook.</b></p> <p><b>SGO confirms that the Broads Authority do monitor attendances, advise members as necessary and the requirement is included in members’ appointment letters.</b></p>	By 31/03/2025