INTERNAL AUDIT SHARED SERVICE

Charnwood Borough Council

Internal Audit Progress Report 2023/24 Q1

1.   Introduction

1.1   Internal Audit is provided through a shared service arrangement by North West Leicestershire District Council. The assurances received through the Internal Audit programme are a key element of the assurance framework required to inform the Annual Governance Statement. The purpose of this report is to update on Internal Audit activity during 2023/24 Q1.

2.   Internal Audit Plan Update

2.1   Work on the 2023/24 audit plan has commenced, with three audits currently in progress. The 2023/24 audit plan is included at Appendix A for information. The audits due to take place in Q2 are:
- Responsive Repairs Q2
- Planned Maintenance Q2
- DFG Audit
- DFG Certification
- Housing Mould & Damp
- Benefits Subsidy Testing
- Safeguarding

2.2   Since the last update report 6 final audit reports have been issued, 2 audits are at draft stage and 1 audit is still in progress, all of these are carried forward from the 2022/23 audit plan. The following 2022/23 audits were issued, and the executive summaries and recommendations are included at Appendix B:

Income Collection - Substantial
Main Accounting - Reasonable
Payroll - Reasonable
Capital Programmes - Reasonable
IT Health Check Audit - Limited
IT Cyber Security - Limited

The executive summaries for these reports are included at Appendix B

3.0   Outstanding Recommendations

3.1   Internal Audit monitor and follow up critical, high and medium priority recommendations. Further details of overdue and extended recommendations are detailed in Appendix C for information.

Year	Not Due		Extended		Overdue	
	High	Medium	High	Medium	High	Medium
20/21	-	-	1	-	-	-
21/22	-	-	5	4	3	2
22/23	14	23	7	10	-	-

4.0   Internal Audit Performance Indicators

4.1   Progress against the agreed Internal Audit performance indicators is included in Appendix D. There are no areas of concern to highlight.
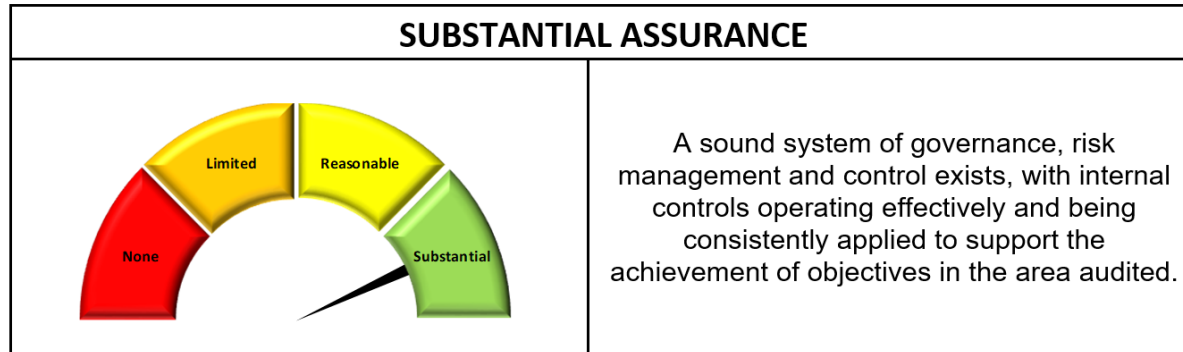
AUDIT PLAN AS AT 20 JUNE 2023

Audit Area	Type	Planned Days	Actual Days	Status	Assurance Level	Recommendations				Comments
						C	H	M	L	
Disabled Facilities Grants	Certification	3		Q2						
Disabled Facilities Grants	Audit	9		Q2						
Selective/ HMO Licensing	Audit	10		Q4						
Housing Standards Service	Audit	8	0.5	Engagement Planning						
Planned & Cyclical Maintenance Q1	Audit	10	1	In progress						
Responsive Repairs Q1	Audit	10	1	In progress						
Planned & Cyclical Maintenance Q2	Audit	10		Q2						
Responsive Repairs Q2	Audit	10		Q2						
Planned & Cyclical Maintenance Q3	Audit	10		Q3						
Responsive Repairs Q3	Audit	10		Q3						
Planned & Cyclical Maintenance Q4	Audit	5		Q4						
Responsive Repairs Q4	Audit	5		Q4						
Gas & Asbestos Compliance	Audit	10		Q4						
Mould & Damp	Audit	10		Q2						
Community Grants	Audit	6		Q3						
Performance Monitoring	Audit	8		Q3						
Mandatory Training	Audit	8		Q3						
Transformation Projects	Advisory	5		All year						
Key Financial Systems	Audit	55		Q3/Q4						
Benefits Subsidy	Assurance	40		Q2						
IT Asset Management	Audit	8	0.5	Q1						Postponed to Q3
Contract Monitoring	Audit	9		Q3						
Corporate Policy Management	Audit	8	1	In progress						
Corporate Project Management	Audit	9		Q4						

Safeguarding	Audit	10		Q2						
Protect Duty	Audit	8		Q4						
Remote Support & Data Exchange	Audit	10								
Itrent Application Review	Audit	10								
Grants	Assurance	5	3							

Income Collection

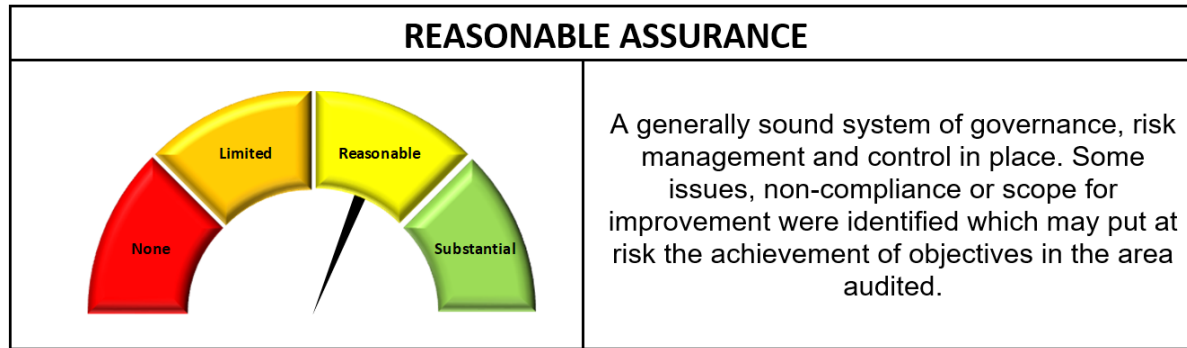| SUBSTANTIAL ASSURANCE	
	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

Key Findings

Areas of positive assurance identified during the audit:
- Regular reconciliations are undertaken between the general ledger and the bank account.
- Suspense accounts are regularly reviewed and cleared.
- Daily balancing is undertaken between the cash receipting system and the relevant feeder systems.

The main areas identified for improvement are:
- Detailed written procedure guides are not in place for key process.
- System access should be reviewed regularly.

Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
1. The face-to-face payment guide is updated to include step by step instructions for processing payments received.	Low	Agreed.	Customer Services Team Leader(s).	July 2023
2. A cleansing exercise is undertaken on the systems to: • revoke access to those who have left employment or who have not recently used the system, • remove generic accounts, • consider removing the ability of certain user groups being able to reset passwords. A regular review of system access is carried out to ensure that access is appropriate and leavers are revoked appropriately.	Medium	Quarterly reviews of system access to ensure access for officers is still appropriate. Communication to users to inform that after 90 days of no access to the system their account will be locked. Supervisory group access is required to allow officers to unlock user accounts. Moving forward generic accounts will not be set up and the remaining generic account will be investigated and if appropriate closed.	Information Technology Delivery Manager and Information System Analyst.	July 2023

Main Accounting

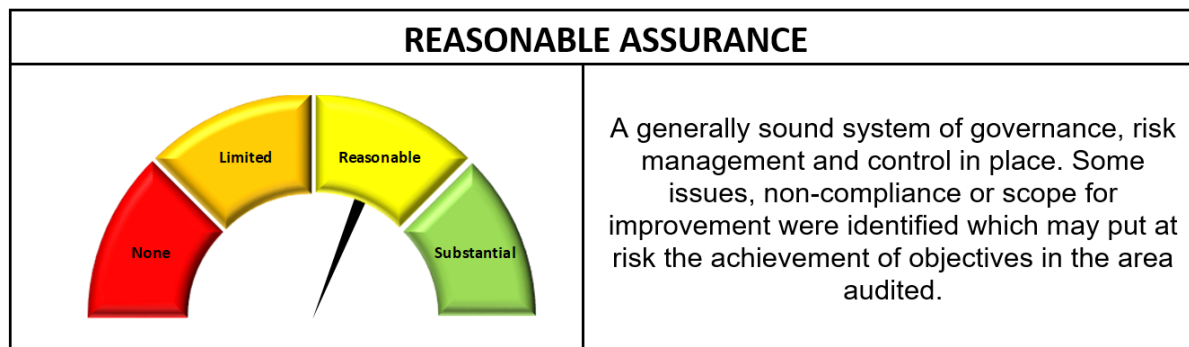| REASONABLE ASSURANCE	
	A generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.

Key Findings

Areas of positive assurance identified during the audit:
- There are up to date Financial Regulations and Financial Procedure Rules in place.
- The accounting system is updated to reflect the approved budgets following approval from Council.
- There are adequate controls in place to ensure that opening balances are brought forward accurately and completely.
- Regular reconciliations are undertaken between the feeder systems, the general ledger and the bank statements.
- Journals are appropriately authorised and input in a timely manner.
- There are adequate controls around the setting up and deleting of budget codes.
- Committed expenditure is reviewed on a regular basis and cleared where necessary.
- There are procedures in place to ensure significant variances are investigated.
- Suspense accounts are reviewed and cleared regularly.
- Budget monitoring information is provided to budget holders, management and members on a regular and timely basis.

The main areas identified for improvement are:
- Management and control of virements, in accordance with Financial Procedure Rules.
- Regular review of the budgetary control spreadsheet to ensure accuracy.

Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
1. Officers are reminded of the requirements for authorisation of virements.	High	Officers will be reminded of the importance of categorising transactions correctly and obtained appropriate authorisation.	Head of Finance	June 2023
2. The financial management system controls are amended to prevent one sided virements and categorise the different types of budgetary changes separately to provide more effective monitoring to ensure compliance with the Financial Procedure Rules.	High	Unit 4 will be amended to included two more attributes for virements which will allow a virements report to be produced to reconcile to the budget control spreadsheet.	Chief Accountant	June 2023
3. The virement transaction number is recorded on the budgetary control spreadsheet.	Low	Agreed. Transaction virement numbers have been added to the budgetary control spreadsheet.	Head of Finance	Implemented

8

Payroll

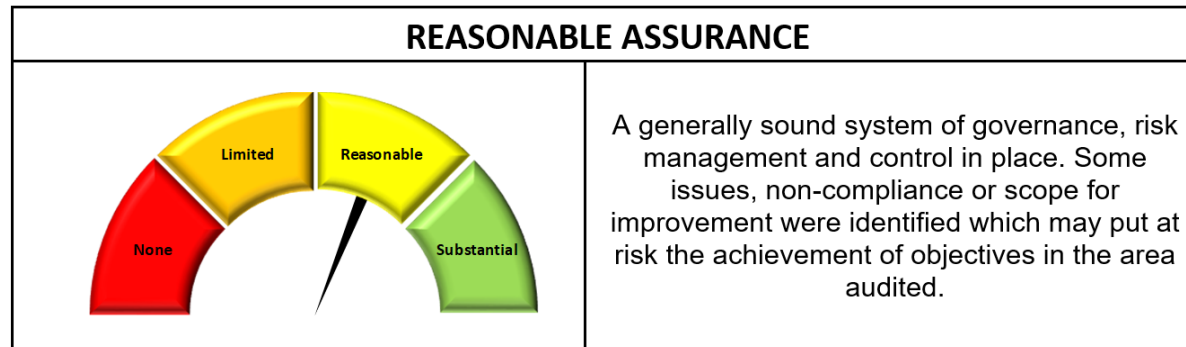| REASONABLE ASSURANCE	
	A generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.

Key Findings

Areas of positive assurance identified during the audit:
- Procedures are reviewed and updated on a regular basis.
- A separation of duties exists between the preparation and the payment of the payroll.
- Testing is carried out at the start of each financial year to ensure that updates to the system are accurate.
- Reconciliations are carried out and evidenced on a regular basis between the payroll, general ledger and bank account.
- The payroll is reviewed for accuracy prior to payments being made.

The main areas identified for improvement are:
- Establishment checks by managers are not carried out.

Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
A report should be produced, at least annually, and issued to Heads of Service/ Managers to confirm the accuracy of the establishment.	High	In the short term an accurate establishment report is being compiled by ICS with a view to it being the responsibility of HR, when fully staffed.	IT Delivery Manager/ Information Development Manager HR	May 23 Annually from March 24

Capital Programmes

REASONABLE ASSURANCE	
	A generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.

Key Findings

Areas of positive assurance identified during the audit:
- There is an up to date Capital Strategy, Treasury Management Strategy Statement, Annual Investment Strategy and Minimum Revenue Provision Policy in place.
- There is a reporting structure in place.

The main areas identified for improvement are:
- The Capital Projects Monitoring Board Terms of Reference and capital application form need updating.
- A procedure guide is created to assist managers in submitting a request for capital funding.
- The content and format of reports needs reviewing to ensure project progress is clearly documented, and that expenditure and budget profiling and lessons learned is provided.

Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
1. The Terms of Reference for the Board are reviewed and relevantly updated.	Low	Agreed. This will be reviewed in time for the next board meeting on the 8th August 2023.	Head of Transformation, Strategy and Performance and Capital Programme Board	September 2023
2. The capital application form is fully reviewed to ensure the information submitted allows senior management to make informed decisions.	Medium	The form will be reviewed and revised in line with the recommendation.	Director of Finance, Governance and Contracts, Head of Finance and Capital Programme Board	September 2023
3. A procedure/ process guide is created and publicised to assist managers in submitting a request for capital funding.	Medium	A procedure guide is not considered necessary but guidance will be incorporated where appropriate within the revised capital application form.	Director of Finance, Governance and Contracts, Head of Finance and Capital Programme Board	September 2023
4. Management review the information reported to members taking into consideration quality, clarity and consistency of the information presented.	Medium	Management will consider the format of information reported to members with a view to addressing audit points raised.	Head of Finance.	December 2023
5. Accurate budget profiling is introduced and reported.	Medium	Budget profiling is undertaken on a quarterly basis at the Capital Programme Board which aligns to Finance and Performance Committee.	Head of Finance.	November 2023.
6. As part of the report to the Capital Board a project dashboard should be provided to show the progress against every project's lifecycle and key milestones, to ensure that the Board is fully aware of the position of each and every project.	High	As above – the Board will review on a quarterly basis.	Head of Finance and Head of Transformation, Strategy and Performance.	Ongoing Internal Audit will review this in November 2023.
7. As part of the project closure a lessons learned report should be submitted to the Board for completeness and future projects.	Medium	As part of the CBC Project Management process, all projects will require a project closure report	Head of Transformation, Strategy and Performance.	Ongoing Internal Audit will review this in November 2023.

IT Health Check Audit

LIMITED ASSURANCE	
	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
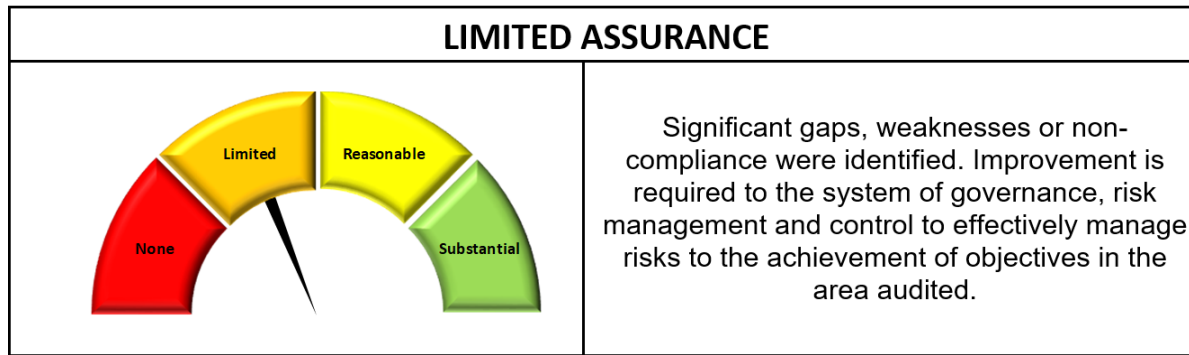
The level assurance assigned is linked to the number of high-level recommendations found during the review in key areas of activity. It should be noted that more detailed review(s) would provide the organisation, and senior management, detail that the risk(s) are being managed fully to attain a higher-level of assurance for specific areas.

Key Findings

Areas of positive assurance identified during the audit:
- Security – Logical / Physical – Overall the approach to core network security, was found to be well managed. We have raised a number of issues relating to application security and the physical security of network equipment – see below.
- Computer virus / threat protection / procedures and controls relating to System Performance and Monitoring were found to be adequate as part of this high-level review.

The main areas identified for improvement are:
- Changing security parameters for some applications, where single sign on is not in use / available, to comply with the agreed security policy.
- Timescales for the completion of operational testing in relation to ICT business Continuity arrangements.
- A specific IT Asset Management policy should be drafted, agreed and signed off by key stakeholders.
- Ensuring locations holding network equipment are secure.
- There is a need to ensure formal reviews of application users and access are regularly completed and evidenced.

- The management / audit log for the iTrent (Payroll) application, for highest level access, should be used to review activity.
- Testing documentation for any ICT / service user testing should be attached to the relevant service call.
- Annual reviews of software assets need to be completed and evidenced.
- Documentation regarding work completed by ICT should be drafted for the following areas:
  o Undertaking test restores;
  o ICT asset management, covering both hardware and software;
  o Services / applications in operation; and
  o External data transfers completed.
- The notifications should be reviewed for the following areas of ICT activity:
  o Backups undertaken;
  o Availability of application upgrades / patches.
- The Data Protection Officer should ensure they are familiar with the agreed ICT incident management procedures.

Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
1. The nominated Application administrators should ensure the application security is set in line with the agreed policy. Before actioning this recommendation, the Application administrators should ensure this is discussed with ICT colleagues and proposed changes are communicated to users.	High	Application Administration of the identified systems and management of permission levels are currently managed outside ICT. Action agreed. Review and set appropriate level permissions for Civica and Home Connections The Civica system is scheduled to be replaced in the next four months	Application Administrators and Information Development Manager	March 2024

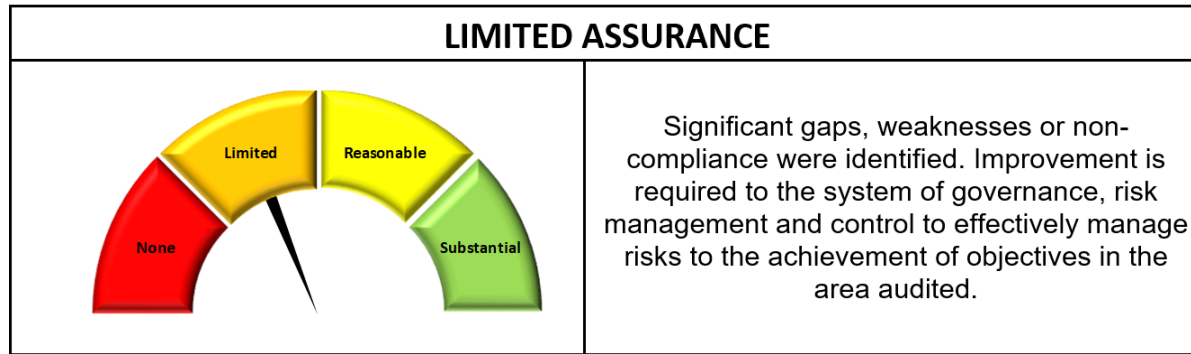|					
2.	Application users and access rights should be formally reviewed at least annually, or more frequently if user access is to significant activity e.g. system administrators / high level privileges. Reviews should be evidenced accordingly.	High	(Linked to Recommendation above) Implement a process with Application Administrators for regularly reviewing user roles and permissions. The approach will be based on the Information Security concept 'Principle of least privilege (PoLP) Recommendations 1 and 3 relate to reviewing application security permissions, which are accepted. As discussed with Audit, the assigned 'High' priority level should be lowered as this recommendation refers to the setup of a process to regularly monitor permissions	Application Administrators and Information Development Manager	March 2024
3.	The Information Development Manager should ensure that steps are taken to establish use of the available management / user logs to enable an independent review of activity for the highest level of access. The user groups are: ➢ HR Admin ➢ Whole System ➢ IT Sys Admin Such reviews should be completed by an individual who is not a user and should be evidenced accordingly.	High	This issue has been raised at the Workforce iTrent project team (involves HR, Finance and ICS) An Exception report will be developed which will then in turn be assigned to Audit to review on a quarterly basis to ensure independence.	Information Development Manager	August 2023
4.	Steps should be taken to secure network / communications equipment locations.	Medium	Network equipment is stored securely, with the exception of one location (locked cabinet) which is also used as a meeting room. Additional secure locks will be added to the identified location with Property Services	IT Operations Manager	July 2023

5.	ICT should formalise / document the approach to undertaking test restores. This should detail the frequency they will be completed, involvement of business users and ICT and evidence to be maintained.	Medium	Evidence has been provided that confirms test restores are being undertaken. Test restored are scheduled in as part of the six monthly IT checklist tasks. Document to formalise the test restores will be produced.	IT Service Delivery Manager	September 2023
6.	Steps should be taken to ensure notifications for backup jobs are communicated to all relevant ICT staff.	Low	Backup notifications are already received by Technical Analysts and will be added to include the IT Operations Manager.	IT Operations Manager	March 2023 (completed)
7.	Steps should be taken to ensure the Data Protection Officer is familiar with the agreed incident management procedure.	Low	Incident management process details will be shared with the Data Protection Officer	ICT Service Delivery Manager	July 2023
8.	The ICT Service Delivery Manager should identify target timescales to undertake operational testing. Any further delays, with reasons, should be communicated to the Audit Committee accordingly.	High	The recommendation isn't accepted. As discussed with Audit, the recommendation and priority level should be reviewed as assurances and evidence have been provided that confirms operational testing of system backups and restores covered in the scope of the Team recovery plan are undertaken. In the current hybrid environment, backup and restore process have also been tested further across the ICT Infrastructure as part of the cloud migration programme, where Servers and Applications are backed up prior to migration and restored onto the Azure Cloud environment. The Team recovery plan refers to activating plans depending on the Disaster Recovery requirement. As discussed with Audit, the method of	ICT Service Delivery Manager	June 2024

		undertaking backups will change when the cloud migration and environment is finalised (by end of 2023).			
		Full recovery plan will be reviewed, updated and tested when the Hybrid (cloud and onsite) environments are finalised.			
9. All testing documentation should be added to the service call raised for the change management process.	Medium	Existing change management process includes a testing phase, which will be updated to ensure user testing results are captured.	ICT Service Delivery Manager	July 2023	
		As discussed with Audit, the priority level should be reduced as an existing 'Pre-implementation UAT' test stage is in place (and will be updated to include further controls). There are also subsequent phases in the change management process to ensure the change applied is successful and communicated to services/users involved.			
10. The ICT Service Delivery Manager should ensure the approach regarding the notifications for applications of upgrades / patches is agreed and documented.	Medium	As discussed with Audit the recommendation should be reviewed.	ICT Service Delivery Manager		
		The IT Infrastructure Policy (Section 6.1 Patch management) covers the approach and frequency of applying Patches.			
		Existing Change Management process is in place for application upgrades.			
		Minor patches and updates are undertaken with the agreement of the ICT Service Delivery Manager, IT Operations Manager or the Information Development Manager			
		The assessment of which changes need to be documented in the change process are also discussed in the weekly Management meetings.			

11. The ICT Service Delivery Manager should document a specific IT asset management policy and ensure all key stakeholders agree and sign this off.	High	Action agreed to develop IT asset management policy. The recommendation priority level should be reviewed, as the controls below are in place to avoid significant 'high' level risks. 1. ICT processes are in place to manage assets (from procurement to disposal) as part of the ITIL Hornbill Service Desk System 2. A certain level of IT asset policy information is covered in the 'Internet & Email Acceptable usage policy' and the 'ICT Infrastructure' Policy	IT Operations Manager	September 2023
12. Full documented procedures relating to the management of assets, both hardware and software, should be drafted and agreed.	Medium	As covered above (recommendation 11), the ICT processes are in place to manage assets (from procurement to disposal) As part of the ITIL Hornbill Service Desk System Procedures for ICT staff will be documented and appended to the policy.	IT Operations Manager	September 2023
13. At least an annual review of software assets should be completed. This should be documented and signed off accordingly.	High	Asset checks are undertaken if there is a status change e.g. when an employee starts, leaves, has an issue with the device, device replacement, if the devices has connected to the network over a period of time, etc. Regular asset reviews will also be scheduled in and covered in Asset Management policy	IT Operations Manager	September 2023
14. The ICT Service Delivery Manager should look to review the documentation maintained for services and applications in use.	Medium	Agreed – Documentation currently existing but needs to be developed further to cover key Applications and Hardware	ICT Service Delivery Manager	December 2023

| 15. The approach to undertaking external data transfers should be documented. This should reference issues to be raised in communication with any recipients of Council data, and should include as a minimum:

  ➩ Requesting a reply receipt
  ➩ Data description and any exclusions
  ➩ Reasons / uses of data permitted.
  ➩ Summary of data transmitted i.e. number of files / records – NB This can take the form of electronic report.
  ➩ Security & Storage of the recipient
  ➩ Retention period(s) / Destruction by recipient
  ➩ Prohibit transfers to other 3rd parties (if applicable)
  ➩ Data Protection Notice (if applicable)

Additionally, users need to be reminded to undertake certain tasks after transferring data e.g. ensuring replies are received. | High | There are two methods of external data transfer:
1. Bulk or batch (SFTP) transfers, which are undertaken by ICS with a supporting user request logged with the ICS helpdesk.

2. User initiated requests which can be undertaken using email, MS Teams, One Drive

External data transfer for option 1 cannot be undertaken by users.
Guidance is agreed to be developed for option 2. Reference points listed in the recommendation may be not applicable in all cases e.g. reply receipt, summary of data transmitted, etc.
As discussed with Audit, the assigned 'high' level priority needs to be reviewed as it only covers guidance for data transfer under option 2 above.

As an additional control, the Data Protection Officer also manages Data Sharing protocols and agreements for external data transfers are with Partners/ Suppliers. | ICT Service Delivery Manager | December 2023 |

IT Cyber Security

LIMITED ASSURANCE	
	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.

Key Findings

Areas of positive assurance identified during the audit:
- A policy has been drawn which relates to Cyber Security and has been approved by management. There is, though, a need to fully document all roles and responsibilities for tasks / work associated with Firewall management and all tasks – see below.
- Key risks have been identified. An issue has been raised regarding the recording of action(s) to deal with any incidents identified – see below.
- Firewalls have been deployed for external and internal connections.
- Security threats including any new threats are continually monitored and managed.
- Issues and incident management procedures have been agreed and reporting is in place.

The main areas identified for improvement are:
- The need to ensure independent (external) penetration testing is completed annually.
- Ensuring the identified key weaknesses with the Juniper (INTERNAL) firewall are addressed. Some other less significant issues were identified with the Sophos UTM firewall.
- Ensuring all key activities, some of which relate to governance issues, are included in a relevant policy and that the day to day / regular tasks are documented for staff.
- The need to ensure configuration documentation for all firewall platforms is maintained and that rules are reviewed, at least annually, and signed off by management. Any activity relating to security issues identified should include all relevant action(s) taken with dates for reference.

- Descriptions should also be documented for the rules within the software available. RIS (risk assessment) documentation should also be drafted for this key area of activity.
- Training for the ICT staff operating the firewall platforms should be undertaken.
- The risk register maintained should include historical information about action taken to address any issues identified as a record of work completed.
- Records relating to external scans completed, including the retention of logs should be retained and managed accordingly.

Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
1. A review of the existing Information Security Policy v4 should be completed to ensure it includes other key activities e.g. procurement approach for independent testing, frequency, completion and management of independent penetration testing reviews, conditions for and completion of internal vulnerability testing / checks including monitoring, results and action(s) taken.	Medium	Cyber Security approach, standards, independent testing, risk mitigation, work plan and reporting arrangements are covered in both the ICT Strategy and the internal Information Security Policy. An updated policy will be developed to reflect new internal monitoring and management controls currently in place and in development to support the IT Hybrid environment.	ICT Service Delivery Manager	December 2023
2. The ICT Service Delivery Manager should ensure, once the process has been reviewed, that a RIS (Risk Assessment Documentation) is available for Cyber Security applications / platforms.	Medium	Documentation for Cyber security platforms such as Firewalls currently exists but needs to be amalgamated into a standard template, in line with RIS documentation	ICT Service Delivery Manager	February 2024
3. The risk register should show any current and any historical issues, in the Issue Log tab of the spreadsheet maintained.	Low	The Risk register currently only shows active risks and issues. The document will be kept up to date to retain historical/ closed issues	ICT Service Delivery Manager	July 2023

4.	Steps should be taken to ensure the issues relating to security and patch management are addressed.	Medium	As the ICT infrastructure is being developed, the requirement for the existing internal firewall is being reviewed. During the Audit, evidence was provided to confirm that the Firewall is on a supported version and securely managed by Technical Analysts any required security patches/updates will be applied by August 2023.	IT Operations Manager	August 2023
5.	Action should be taken to activate automatic logout, if it has not already been completed. User groups defined historically, and no longer required, should be removed.	Medium	The inactive timeout setting will be investigated and applied. The review of user groups will be undertaken to remove groups that are no longer required	IT Operations Manager	September 2023
6.	ICT should ensure set-up / configuration of all firewall platforms is documented.	Medium	Please see agreed action for Recommendation 2 (above) Firewall documentation exists but needs to be amalgamated into a standard template, in line with RIS documentation	ICT Service Delivery Manager	February 2024
7.	The Firewall rules should be subject to at least an annual formal review. The review process should be evidenced accordingly and signed off.	Medium	Quarterly review of Firewall rules have been scheduled and will be evidenced accordingly.	IT Operations Manager	September 2023
8.	The description field should be completed for all rules.	Low	Description field to be populated for all rules (where possible)	IT Operations Manager	September 2023
9.	Management should document the day to day / regular tasks to be undertaken.	Medium	Documentation of regular tasks to be completed as part of the action for Recommendation 2 and 6	IT Operations Manager	February 2024

10. Management should ensure staff managing the firewall platforms are trained in this key area of activity.	Medium	Technical Analysts have undergone Firewall training. It is understood the training being referred to is in relation to Recommendation 4. Depending on the decision to continue with the Juniper Firewall, training requirements will be identified and scheduled.	IT Operations Manager	September 2023
11. Going forward independent penetration testing of the Council's IT services and infrastructure should be completed at least annually.	High	The annual IT Checks are now in place. Results of the health check are currently being analysed/ reviewed and actioned (where required)	ICT Service Delivery Manager	February 2023 (completed)
12.The retention of any scans completed, including logs created, should be formalised, and managed accordingly.	Low	Process of retention logs will be formalised as part of Recommendation 6	IT Operations Manager	February 2024
13. The tab within the IT Security Actions spreadsheet regarding user accounts should include all relevant information regarding the matter identified, data identified, actions taken and date action taken / completed. This should be retained as an historical record of work completed.	Medium	An amalgamated action plan of all tasks is being developed by the IT Operations Manager (based on the IT Health Check in progress – see recommendation 11) The action plan is monitored as part of weekly IT Security meetings	IT Operations Manager	April 2023 (Implemented)

OVERDUE RECOMMENDATIONS

Audit Year	Audit	Recommendation	Priority	Response/ Agreed Action	Responsible Officer	Original Due Date	1st Follow up comments	Ext Date	Second Follow up comments	Ext Date	Further Management update	Further Extension
2021/22	Asset Management	7. Management develops a comprehensive single source of data to track and record assets which allows them to see a complete picture for each asset in real time, which can be used to support the Asset Management Action Plan and give assurance that the authority is meeting their legal responsibilities	High	Agreed	Strategic Director of Commercial Development, Asset and Leisure and Strategic Asset Manager	Sep-22	A compliance folder is now in place but further work is required to develop a single source of data.	Dec-22	Compliance data needs to be compiled and completed in the asset register.	Mar-23		
2021/22	Commercial Lettings	1. A full set of procedure documents should be in place which cover all key aspects of the Commercial Lettings area.	Medium	Agreed to implement local procedures to cover areas.	Strategic Asset Manager, Business Centre / Ind Managers and Senior Property and Asset Officer.	Dec-21	No response received	Mar-22	No response received	Apr-22	Currently drawing up a new set of templates to be used. The procedure documents will then follow.	Nov-22 Mar-23
2021/22	Commercial Lettings	2. Increases in rent charges should be calculated in line with Section 7 of the lease agreement. Details of how the increase has been calculated should be retained. The decision as to whether or not to increase rents should be formally documented and appropriately agreed.	Medium	Flat 3% increase applied for 3 years to 20/21 due to no previous increases being made. Going forward rent increases will be carried out in line with the lease agreement.	Strategic Director of Commercial Development, Asset and Leisure and Strategic Asset Manager.	Apr-22	No response received	May-22	No response received	Jun-22	As at 11th August 2022 no rent reviews have been completed but work is being carried out to review the rents.	Nov-22 Mar-23
2021/22	Commercial Lettings	3. A valuation of the Commercial Units should be undertaken in order to compare the rents currently charged for units to market rents. This exercise should be repeated at regular intervals, e.g. every five years, to provide assurance that the rents charged are in line with achievable income.	Medium	Agreed – will instruct external company for a comparable to be carried out.	Strategic Director of Commercial Development, Asset and Leisure and Strategic Asset Manager.	Apr-22	No response received	May-22	No response received	Jun-22	No progress has been made in relation to this.	Nov-22 Mar-23

2021/22	Commercial Lettings	4. A breakdown of all service costs is calculated to ensure it covers all rechargeable cost, as per the lease agreement. This is then provided to the tenant two months prior to the service charge review date, again, as per the lease agreement.	High	Agreed, a process will be implemented across all teams. As leases expire these will be reviewed and brought into line with the process.	Strategic Director of Commercial Development, Asset and Leisure and Strategic Asset Manager.	Apr-22	No response received	May-22	No response received	Jun-22	As at 11th August 2022 no rent reviews have been completed but work is being carried out to review the rents.	~~Nov-22~~ Mar-23
2021/22	Commercial Lettings	7. Management develops a comprehensive single source of data to track and record assets which allows them to see a complete picture for each asset in real time, which can be used to support the Asset Management Action Plan and give assurance that the authority is meeting their legal responsibilities.	High	Agreed, for the proportion that are controlled by the authority and where it is the tenant's responsibility evidence will be requested from the tenant.	Strategic Director of Commercial Development, Asset and Leisure and Strategic Asset Manager.	Apr-22	No response received	May-22	No response received	Jun-22	Due to staffing issues there has been no progress on this recommendation. A new surveyor has now been appointed and therefore progress is expected.	~~Feb-23~~ Mar-23

EXTENDED RECOMMENDATIONS

Audit Year	Audit	Recommendation	Priority	Response/ Agreed Action	Responsible Officer	Original Due Date	1st Follow up comments	Ext Date	Second Follow up comments	Ext Date	Further Management update	Further Extension
2021/22	Asset Management	1. Officers ensure that a new Asset Management Strategy is produced and approved in time to replace the current strategy and that it becomes a working document that is updated as the priorities of the council develop over time. Management should consider existing resources, such as the Royal Institution of Chartered Surveyors Asset Management Guidelines and Department of Communities and Local Government framework for Local Authorities on Asset Management when developing the Strategy and any related documents.	High	A revised Strategy, with guiding principles rather than as list of objectives, will be put in place to lead the council forward	Strategic Director of Commercial Development, Asset and Leisure	Apr-22	No response received	May-22	No response received	Jun-22	Work environments have not allowed this to be recorded as yet but basic principles of law and regs are underpinning the asset in situ. Those assets surplus to req are being brought to cabinet to be declared with a view to sell. Guidance and statute are being followed and best value being achieved, assets with tenants are being managed in accordance with their lease and the obligations with the council there in. April 23 – Due to other work pressures and staffing it has not been possible to complete this recommendation.	~~Mar-23~~ Mar-24
2021/22	Asset Management	2. Officers ensure that all policies and documents are in place, up to date and available to support the progression of the strategy.	High	As per recommendation one.	Strategic Director of Commercial Development, Asset and Leisure	Apr-22	No response received	May-22	No response received	Jun-22	All currently linked policies are in place in relation to env management. These will be decoupled from the future strategy and only relevant policies written and maintained given that regs are in place to support strategy April 23 – Due to other work pressures and staffing it has not been possible to complete this recommendation.	~~Mar-23~~ Mar-24
2021/22	Asset Management	3. The processes in place for managing the asset information are formalised. These processes should at least describe how council's collect, analyse and evaluate the information to ensure decision making is evidence based and identifies the roles and responsibilities of the officers involved in those processes	High	Relevant processes will be put in place as per response to recommendation one.	Strategic Director of Commercial Development, Asset and Leisure	Apr-22	No response received	May-22	No response received	Jun-22	To be developed in line with the strategy in rec 1 April 23 – Due to other work pressures and staffing it has not been possible to complete this recommendation.	~~Mar-23~~ Mar-24

2021/22	Commercial Lettings	6. The performance measures report showing occupancy rates should be provided to Management on a regular basis e.g. monthly / quarterly as agreed	Medium	Agreed	Strategic Asset Manager	Dec-22	Extended as per Director request	Mar-23	Mar-23 - The performance data has been included in the service plan. Figures will be reported quarterly.	Jul-23		
2022/23	S106 Agreements	6. Management consider introducing a requirement in the local validation list for the submission of Heads of Terms as part of the suite of documents submitted with relevant planning applications.	Medium	Agreed. This is currently being worked on.	Group Leader - Dev Manager	Jun-23	The LVL has been circulated for comment internally. A few minor amendments need to be made to it to make it an accessible document and then the service should be able to submit the DD for circulation and then publish it and implement it	Jul-23			
2022/23	Benefits	2. System access is regularly reviewed to ensure that Officers have appropriate access permissions in accordance with their role.	Medium	Agreed	Customer Experience Manager.	Apr-23	May-23 a review of users has been completed but due to the groupings being unknown, a review of permissions has not been completed, as yet.	Aug-23			
2022/23	Council Tax	2. As part of the annual access review, the contract officer reviews access levels and confirms with managers that that access is appropriate to the job role. The contract officer should have an understanding of the access level groups to enable them to complete this task.	Medium	Agreed	Customer Experience Manager.	Apr-23	May-23 a review of users has been completed but due to the groupings being unknown, a review of permissions has not been completed, as yet.	Aug-23			
2022/23	Treasury Management	1. The Treasury Management Practices document is reviewed to ensure it complies with 2021 CIPFA Treasury Management Code.	Medium	Agreed as per recommendation. The Treasury Management Strategy has already been updated in line with the CIPFA Code and was approved by Council in February 2023.	Head of Finance and Senior Income Officer.	May-23	May-23 - Needs further work. TM Strategy 23/24 updated in line with CIPFA Code. TM Practices still require review.	Jul-23			
2022/23	Payroll	A report should be produced, at least annually, and issued to Heads of Service/ Managers to confirm the accuracy of the establishment.	High	In the short term an accurate establishment report is being compiled by ICS with a view to it being the responsibility of HR, when fully staffed.	Information Technology Delivery Manager/ Information Development Manager HR	01/05/2023 HR to then do annually	May-23 HR Payroll Finance and IT are meetings on a fortnightly meetings to check progress on this task. An initial report has been taken from the system and is being checked between Finance and IT.	Jul-23			

2020/21	Asbestos Management	9. A review of the information held on the asbestos register is carried out and updated to ensure that the authority is meeting its legislative requirement in relation to keeping an up-to-date record of the location and condition of the asbestos- containing materials - or materials which are presumed to contain asbestos.	High	Agreed, current system to be reviewed, developed, or replaced as appropriate.	Compliance Manager	Aug-21	Due to IT systems this had to be further extended.	Dec-21	Due to IT systems this had to be further extended. May-22 still waiting on SharePoint transfer	May-22	Admin staff to input all links this process will take some time but anticipated to be in place within 6 months. Jan-23 - Creation of the ASB Visual files is now complete but there are almost 6000 files now to uploaded. Apr-23 - Delays due to technical issues resulting in not being able to upload to the Alpha Tracker. May-23 - Problems with the contractor completing surveys and updating the tracker have continue. The service are now undertaking a procurement exercise for a new contractor, hopefully to commence June 23. This will potentially mean the alpha tracker will no longer be used. It is intended that management surveys will be undertaken on the properties when the new contract commences.	~~Jan-23~~ ~~May-23~~ Sept-23
2021/22	Acquisitions Policy	3. The acquisitions procedure is updated to include the beginning of the process, starting with how a property is identified.	Medium	Agreed as per recommendation	Head of Strategic and Private Sector Housing.	Dec-21	Apr-22 Following a meeting with the Director it was agreed that a full review of the process and policy should be completed to ensure appropriate segregation of duties and authorisation throughout. Audit will provide suggestions. Given that there is a corporate review underway it is likely delegations will be reviewed in September. May-22 - Policy and Procedure Documents reviewed and returned to Director for consideration.	Oct-22	Due to staffing changes the implementation of recommendations has been delayed	Apr-23	The acquisitions and disposals policy, and related procedures are in the process of being fully reviewed	Sep-23
2021/22	Acquisitions Policy	4. Management ensure that purchases are made in line with the policy.	High	The Policy to be reviewed again and any amends to be approved in line with the Constitution, and a revised copy of the Policy to be uploaded to the website.	Head of Strategic and Private Sector Housing.	Dec-21	Apr-22 Following a meeting with the Director it was agreed that a full review of the process and policy should be completed to ensure appropriate segregation of duties and authorisation throughout. Audit will provide suggestions. Given that there is a corporate review underway it is likely delegations will be reviewed in September. May-22 - Policy and Procedure Documents reviewed and returned to Director for consideration.	Oct-22	Due to staffing changes the implementation of recommendations has been delayed	Apr-23	The acquisitions and disposals policy, and related procedures are in the process of being fully reviewed	Sep-23

2021/22	Acquisitions Policy	5. The procedures are updated to ensure that they fully reflect the requirements of the policy.	Medium	Update the procedures to reflect the requirements of the Policy.	Head of Strategic and Private Sector Housing.	Dec-21	Apr-22 Following a meeting with the Director it was agreed that a full review of the process and policy should be completed to ensure appropriate segregation of duties and authorisation throughout. Audit will provide suggestions. Given that there is a corporate review underway it is likely delegations will be reviewed in September. May-22 - Policy and Procedure Documents reviewed and returned to Director for consideration.	Oct-22	Due to staffing changes the implementation of recommendations has been delayed	Apr-23	The acquisitions and disposals policy, and related procedures are in the process of being fully reviewed		Sep-23
2021/22	Acquisitions Policy	6. A full review is carried out in relation to the delegated authority in this process to ensure that there is independence within the process.	High	Agreed. Will discuss the process and decision-making changes required with Democratic Services. Head of Strategic and Private Sector Housing management comment: The day to day management of the process is normally the responsibility of the Housing Strategy and Support Manager, however this post is currently vacant.	Strategic Director of Community, Planning and Housing	Mar-22	Apr-22 Following a meeting with the Director it was agreed that a full review of the process and policy should be completed to ensure appropriate segregation of duties and authorisation throughout. Audit will provide suggestions. Given that there is a corporate review underway it is likely delegations will be reviewed in September. May-22 - Policy and Procedure Documents reviewed and returned to Director for consideration.	Oct-22	Due to staffing changes the implementation of recommendations has been delayed	Apr-23	The acquisitions and disposals policy, and related procedures are in the process of being fully reviewed		Sep-23
2021/22	Choice Based Lettings	2. Procedure guides are reviewed to ensure they cover all aspects of the housing allocations process in more detail.	Medium	Agreed	Housing Needs Manager and Housing Allocations Team Leader	Apr-23	May-23 - no response received	Jun-23					
2022/23	Responsive Repairs - Emergency Repairs Q1	5. A procurement exercise is carried out for this area of work to ensure that the authority is following contract procedure rules.	High	A procurement process is in progress for this work.	Repairs and Investments Manager	Dec-22	Dec-22 - Contract still requires signing. Mobilisation of contract to be March 23, waiting for EEM to response.	Mar-23	Mar-23 - requested extension, contract mobilisation delayed. Apr-23 - contractor pulled out and procurement process has to be done again.	Oct-23		
2022/23	Responsive Repairs - Emergency Repairs Q1	7. The processes to identify where further works are needed, following an emergency call out, are reviewed to ensure that all further works are captured and acted upon.	High	Generic email address for the RTL set up and will be contacting the relevant contractors to advise this the email address to use in future. Investigate why service connect is not retaining the surveys.	Principal Officer -Repairs and Maintenance	Oct-22	A generic email address has been set up. This has been raised with the service provider and is currently under review however an extension is required for this to be completed.	Dec-22	Dec-22 - Established surveys are on Service Connect. Need to establish how to forms can be completed for orders raised by Lifeline. Currently not using 24hr	Aug-23		

				Upload the document RTLS received via email on service connect in the meantime.					diary on Service Connect		
2022/23	Responsive Repairs - Emergency Repairs Q1	10. Processes are put in place to ensure all emergency call out data is captured and can then be accurately reported to the Senior Leadership Team and Housing Management Advisory Board.	High	Agreed as per Recommendation	Repairs and Investments Manager and Principal Officer -Repairs and Maintenance	Mar-23	Mar-23 - Provided a report from lifeline and requested extension to write a process for reporting to SLT.	Jun-23	June 23 - Due to other commitments this recommendation has not been implemented and an extension requested to Nov 2023.	Nov-23	
2022/23	Planned Maintenance Qtr1 - Major Adaptations	Workflow processes are reviewed and updated. Key procedures are documented to support the workflow processes, as necessary, and should support relevant policies and the residents' handbook. The procedures and processes are made accessible to staff.	Medium	Agreed as per Recommendation	Principal Officer – Investment and Programme Delivery	Apr-23	Apr-23 - not implemented	Oct-23			
2022/23	Responsive Repairs - Routine Repairs Q2	1. Target dates detailed in the Tenants Repair Guide should accurately reflect the amended target dates set by the authority, which need be comply with legislative dates set for repairs.	High	A review of the Tenants Repair Guide is currently in progress. Additionally, the electronic system will be checked to ensure that all repair timescales are in line with legislation.	Repairs and Investment Manager	Mar-23	Mar-23 - Tenants guide has been updated and is to be approved by HMAB in March 23 Apr-23 - Tenants Guide approved by Board. Three day tickets on system need amending.	Jul-23			
2022/23	Responsive Repairs - Routine Repairs Q2	2. Management undertake a review of routine repair orders to establish the extent of the backlog, trends and the reasons behind delays in fulfilling our repairs obligations. Based on the findings a course of action should be establish, documented and executed.	High	The service has undertaken multiple failed recruitment processes for operative resources. Additional contracts have been brought on board to support delivery, including T&S Heating Ltd to support general works, and Newey Electrical Installations Ltd to support electrical works. Monitoring and analysis of repairs not completed in target timescales will be undertaken on a monthly basis.	Repairs and Investment Manager	Apr-23	Apr-23 - not implemented	Sep-23			

2022/23	Responsive Repairs - Routine Repairs Q2	3. Procedures are put in place to ensure that the repairs team accelerate matters, particularly following inspections, follow up reports (from contractors and operatives) and where defect notices and complaints are received, these should all be fully investigated, action taken and appropriately documented.	High	A new process for capturing works needed as a follow on from inspections will be put in place. A disrepair works completion tracker has been designed and will be utilised going forward. Operatives now have to complete a works completion survey at the close of each job. This will support an accurate record of completed works.	Principal Officer – Repairs and Maintenance	Mar-23	Mar-23 - Not implemented. Extension requested due to implementation of a contract.	Aug-23				
2022/23	Responsive Repairs - Routine Repairs Q2	4. Order monitoring processes are put in place to ensure orders (including contractor orders) are appropriately progressed, completed or cancelled.	Medium	In addition to the above (rec 3) a process will be introduced to identify stagnant orders.	Principal Officer – Repairs and Maintenance	Jan-23	Jan-23 - Request from the Principal Officer for Repairs recommendation be deferred until Aug 2023.	Aug-23				
2022/23	Responsive Repairs - Routine Repairs Q2	5. Management review the cost of installing key safes and ensure the full cost (materials and labour) is recouped through the lifeline payments package.	Medium	Agreed.	Principal Officer - Repairs and Maintenance	Jan-23	Jan-23 - Request from the Principal Officer for Repairs recommendation be deferred until Aug 2023.	Aug-23				
2022/23	Responsive Repairs - Routine Repairs Q2	6. A review is undertaken to ensure obsolete supplier ids are disabled from the system and training is given to all those raising orders to reiterate the impact of using incorrect supplier identification numbers.	Medium	Agreed	Repairs and Investment Manager	Feb-23	Feb-23 - Requested recommendation deferred to May. Work has started but will be not be completed by the end of February.	Aug-23				
2022/23	Responsive Repairs - Routine Repairs Q2	8. Management consider introducing a KPI to manage and monitor the aged repairs orders.	Medium	Agreed	Principal Officer - Repairs and Maintenance	Mar-23	Mar-23 - Not implemented. Extension requested due to implementation of a contract.	Aug-23				
2022/23	Planned Maintenance Qtr2 - Heating	2. A review of the QL system is completed to ensure that all data is accurately recorded and updated appropriately.	Medium	Monthly uploads will be completed of installation dates by the housing systems team. Manual updates to the system have commenced.	Repairs and Investments Manager	Jun-23	June-23 - Due to other commitments this recommendation has not been implemented and an extension requested to November 2023.	Nov-23				

INTERNAL AUDIT PERFORMANCE INDICATORS

PERFORMANCE MEASURE	POSITION AS AT 20 June 2023	COMMENTS
Delivery of 2023/24 Audit Plan	0%	
Percentage of Client Satisfaction with the Internal Audit Service	100%	3 responses received for 2022/23
Compliance with the Internal Audit Standards	Conforms	Inspection took place w/c 30th November 2020. Internal Audit Service conforms to the Public Sector Internal Audit Standards.
Compliance testing of completed recommendations	100%	