



# SOUTH KESTEVEN DISTRICT COUNCIL

## Follow Up 2

Internal audit report 6.21/22

Final

14 September 2021

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To the fullest extent permitted by law, RSM Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party.

# 1. EXECUTIVE SUMMARY

With the use of secure portals for the transfer of information, and through electronic communication means, remote working has meant that we have been able to complete our audit and provide you with the assurances you require. It is these exceptional circumstances which mean that 100 per cent of our audit has been conducted remotely. Based on the information provided by you, we have been able to sample test, or complete full population testing using data analytics tools.

## Background

We have undertaken a review to follow up on progress made to implement the previously agreed management actions from the following audits:

- 05.20/21 Business Continuity and Emergency Planning;
- 06.20.21 Rent Collection and Arrears; and
- 10.20/21 Section 106 Agreements.

The 10 management actions considered in this review comprised of one high, five medium and four low priority management actions. Concentrating on the actions classified as high and medium, the focus of this review was to provide assurance that all actions previously agreed have been satisfactorily implemented.

## Conclusion

Taking account of the issues identified in the remainder of the report and in line with our definitions set out in Appendix A, in our opinion South Kesteven District Council has demonstrated **reasonable progress** in implementing agreed management actions. Our testing has found that six actions have been fully implemented, two actions have been partially implemented and two actions have not been implemented.

## Progress on actions

The following table includes details of the status of each management action:

Implementation status by review	Number of actions agreed	Status of management actions					Confirmation as completed or no longer necessary (1)+(4)
		Impl. (1)	Impl. ongoing (2)	Not impl. (3)	Superseded (4)		
05.20/21 Business Continuity and Emergency Planning	2	0	1	1	0	0	
06.20.21 Rent Collection and Arrears	3	1	1	1	0	1	
10.20/21 Section 106 Agreements	5	5	0	0	0	5	
<b>Total</b>	<b>10</b>	<b>6</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>6</b>	
		<b>60%</b>	<b>20%</b>	<b>20%</b>	<b>0%</b>	<b>60%</b>	

## 2 FINDINGS AND MANAGEMENT ACTIONS

Status	Detail
1	The entire action has been fully implemented.
2	The action has been partly though not yet fully implemented.
3	The action has not been implemented.
4	The action has been superseded and is no longer applicable.
5	The action is not yet due.

### 05.20/21 Business Continuity and Emergency Planning

<b>Original management action / priority</b>	The Business Continuity Plans are due for annual review shortly and the processes used to ensure / maintain continuity of service during the pandemic will be captured in the plans. <b>Medium</b>
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<b>Audit finding / status</b>	<p>The H&amp;S, Business Continuity and Emergency Planning Lead has recently been given the responsibility for Business Continuity. They have been working with the Lincolnshire Resilience Forum (LRF) to review and improve the Council's processes - it is expected that this will be completed in the next three to six months.</p> <p>The overarching Business Continuity Plan (BCP) will first be reviewed and updated, followed by deep dives into the service areas, focussing first on the higher risk areas such as IT. This will include a review to ensure service level BCPs are robust, reflect good practice and includes a walkthrough of training and testing elements.</p> <p>In response to this audit the Health and Safety Manager sent an email to 13 service areas across the Council asking for a copy of their BCP to evidence that it had been updated within the past year and included reference to the new controls implemented during the pandemic. Positive responses were received from one service area, Arts. No response was received from four service areas, and the remaining nine advised no progress had yet been made.</p> <p><b>2 - The action has been partly though not yet fully implemented.</b></p>
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<b>Management Action 1</b>	Working with the Lincolnshire Resilience Forum (LRF), the Business Continuity Plans for each service area will be reviewed on an annual basis and the processes used to ensure / maintain continuity of service during the pandemic will be captured in the plans.	<b>Responsible Owner:</b> Heads of Service / Managers with Business Continuity Planning responsibilities	<b>Date:</b> 31 March 2022	<b>Priority:</b> Medium
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## 05.20/21 Business Continuity and Emergency Planning

**Original management action / priority** For new members of staff with business continuity planning responsibilities, training on business continuity planning will be provided as part of their staff induction.  
All the relevant staff will be provided with refresher training on business continuity planning.  
**Low**

**Audit finding / status** The Health and Safety Manager advised that there has been no programme of training undertaken for either new managers within the Council as part of their induction, or refresher training for all other staff with business continuity responsibilities. This will be picked up in the closer working with the Lincolnshire Resilience Forum.  
**3: The action has not been implemented.**

<b>Management Action 2</b>	For new members of staff with business continuity planning responsibilities, training on business continuity planning will be provided as part of their staff induction All the relevant staff will be provided with refresher training on business continuity planning.	<b>Responsible Owner:</b> H&S, Business Continuity and Emergency Planning Lead	<b>Date:</b> 31 March 2022	<b>Priority:</b> Low
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## 06.20.21 Rent Collection and Arrears

**Original management action / priority** a) The rent free weeks information, the Tenants' handbook – paying your rent and the Leaflet on Information about rent increase will be reviewed, updated and published on the Council's website.  
b) Going forward the Council's webpage on rents will be maintained with the most up to date information on rents, rent increase and making rent payments.  
**Medium**

**Audit finding / status** Review of the 'Pay my Rent' page of the Councils website found that the rent free days listed are for 2021. We noted that a copy of the Tenants Handbook from 2015 remains on the webpage, however we could locate no information on rent increases.  
**2 - The action has been partly though not yet fully implemented.**

<b>Management Action 3</b>	a) The most recent Tenants' handbook, current and Information about rent increases will be reviewed, updated and published on the Council's website. b) We will diarise a reminder each year to ensure the website is updated with the most up to date details.	<b>Responsible Owner:</b> Head of Revenues and Benefits	<b>Date:</b> 31 March 2022	<b>Priority:</b> Medium
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## 06.20.21 Rent Collection and Arrears

**Original management action / priority** The South Kesteven District Council Fair Collection and Debt Recovery Policy will be reviewed and updated.  
**Medium**

**Audit finding / status** The Head of Revenues and Benefits advised that they are in the process of reviewing the Corporate Debt Management Framework, and the Fair Collection and Debt Recovery policy.  
It has been agreed with the Director of Finance that the Framework and Policy will be reviewed by the Head of Revenues and Benefits to ascertain whether any references to legislation and regulations remain accurate. Should a more thorough review and update be required, this will be undertaken early in 2022/23, to allow for the impact of the renewal of the contract in place with the Councils Enforcement Agent, and new Government guidance entitled "Taking Control for Good".  
**3: The action has not been implemented.**

<b>Management Action 4</b>	The South Kesteven District Council Fair Collection and Debt Recovery Policy will be reviewed and updated. Going forward the Fair Collection and Debt recovery Policy will be reviewed every three years as good practice or earlier in an event of a change occurring.	<b>Responsible Owner:</b> Head of Revenues and Benefits	<b>Date:</b> 31 March 2022	<b>Priority:</b> Medium
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## APPENDIX A: DEFINITIONS FOR PROGRESS MADE

The following opinions are given on the progress made in implementing actions. This opinion relates solely to the implementation of those actions followed up and does not reflect an opinion on the entire control environment.

Progress in implementing actions	Overall number of actions fully implemented	Consideration of high priority actions	Consideration of medium priority actions	Consideration of low priority actions
Good	75% +	None outstanding.	None outstanding.	All low actions outstanding are in the process of being implemented.
Reasonable	51 – 75%	None outstanding.	75% of medium actions made are in the process of being implemented.	75% of low actions made are in the process of being implemented.
Little	30 – 50%	All high actions outstanding are in the process of being implemented.	50% of medium actions made are in the process of being implemented.	50% of low actions made are in the process of being implemented.
Poor	< 30%	Unsatisfactory progress has been made to implement high priority actions.	Unsatisfactory progress has been made to implement medium actions.	Unsatisfactory progress has been made to implement low actions.

## APPENDIX B: ACTIONS COMPLETED

From the testing conducted during this review we have found the following actions to have been fully implemented.

Assignment title	Management actions
06.20.21 Rent Collection and Arrears	The rent arrears management process will be reviewed and updated to ensure that early proactive and preventative approaches are taken on rent arrears cases. <b>Medium</b>
06.20/21 Section 106 Agreements	We will formalise the process for monitoring the receipt of Section 106 contributions due and received, the spending of any contributions with conditions attached, and the balance of the contributions against their expiry dates. <b>High</b>
06.20/21 Section 106 Agreements	Clear roles and responsibilities will be defined between departments in relation to the receipt any spending of Section 106 monies. <b>Low</b>
06.20/21 Section 106 Agreements	A formal process should be developed whereby outstanding planning obligations, condition and contributions are regularly reviewed and followed up with the developer. <b>Medium</b>
06.20/21 Section 106 Agreements	We will continue to update and develop the procedure notes to ensure all staff involved in the end to end Section 106 process are aware of their role and responsibility and their key actions. <b>Low</b>
06.20/21 Section 106 Agreements	We will report the Section 106 Contributions received and spent each year to Councillors. The report will provide an update on the Section 106 contributions that the Council has already received in addition to the money that has been agreed through the planning process but has yet to be received. The Infrastructure Funding Statement (IFS) required to be submitted annually and a schedule of quarterly reporting to Planning Committee has been agreed. <b>Low</b>

# APPENDIX C: SCOPE

The scope below is a copy of the original document issued.

## Scope of the review

The internal audit assignment has been scoped to provide assurance on how South Kesteven District Council manages the following area:

### Objective of the risk under review

To meet internal auditing standards, and to provide assurance on action taken to address management actions previously agreed by management.

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When planning the audit, the following areas for consideration and limitations were agreed:

#### Areas for consideration:

We will review 10 management actions agreed in the following Internal Audit reviews:

- 05.20/21 Business Continuity and Emergency Planning;
- 06.20.21 Rent Collection and Arrears; and
- 10.20/21 Section 106 Agreements.

#### Limitations to the scope of the audit assignment:

- Detailed testing will only be carried out on the high and medium priority management actions;
- We will obtain a management update in relation to low priority management actions, but no detailed testing will be carried out;
- We will not review the whole control framework of the areas listed above. Therefore, we are not providing assurance on the entire risk and control framework of these areas;
- Testing will be completed, where appropriate, on a sample basis over the period since actions were implemented or controls enhanced; and
- Our work does not provide absolute assurance that material errors, loss or fraud do not exist.

**Debrief held** 3 September 2021  
**Draft report issued** 7 September 2021  
**Responses received** 14 September 2021  
**Final report issued** 14 September 2021

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