



SOUTH KESTEVEN DISTRICT COUNCIL

Follow Up 1

FINAL

Internal Audit Follow Up Report: 1.20/21

27 October 2020





CONTENTS

1 Executive summary	2
2 Findings and management actions	6
Appendix A: Scope	17
Appendix B: Actions completed and superseded.....	18
For further information contact	21

Debrief held	11 August 2020
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Distribution	Richard Wyles, Director of Finance Tracey Elliott, Governance and Risk Officer

1 EXECUTIVE SUMMARY

1.1 Introduction

As part of the approved internal audit periodic plan for 2020/21 we have undertaken a review to follow up progress made by you to implement the previously agreed management actions. The audits considered as part of the follow up review were:

- 16.18/19 Corporate Governance;
- 01.19/20 Follow Up 1;
- 02.19/20 Building Control;
- 03.19/20 Allocations and Lettings;
- 04.19/20 Housing Benefits;
- 05.19/20 Customer Relationship Management;
- 09.19/20 Complaints and Freedom of Information (FOI);
- 10.19/20 Health and Safety Arrangements and Reporting; and
- 12.19/20 Follow Up 2.

The 39 management actions considered in this review comprised of 39 'Medium' and 16 'Low'. Concentrating on the actions classified as 'Medium', the focus of this review was, to provide assurance that all actions previously made have been adequately implemented.

1.2 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.

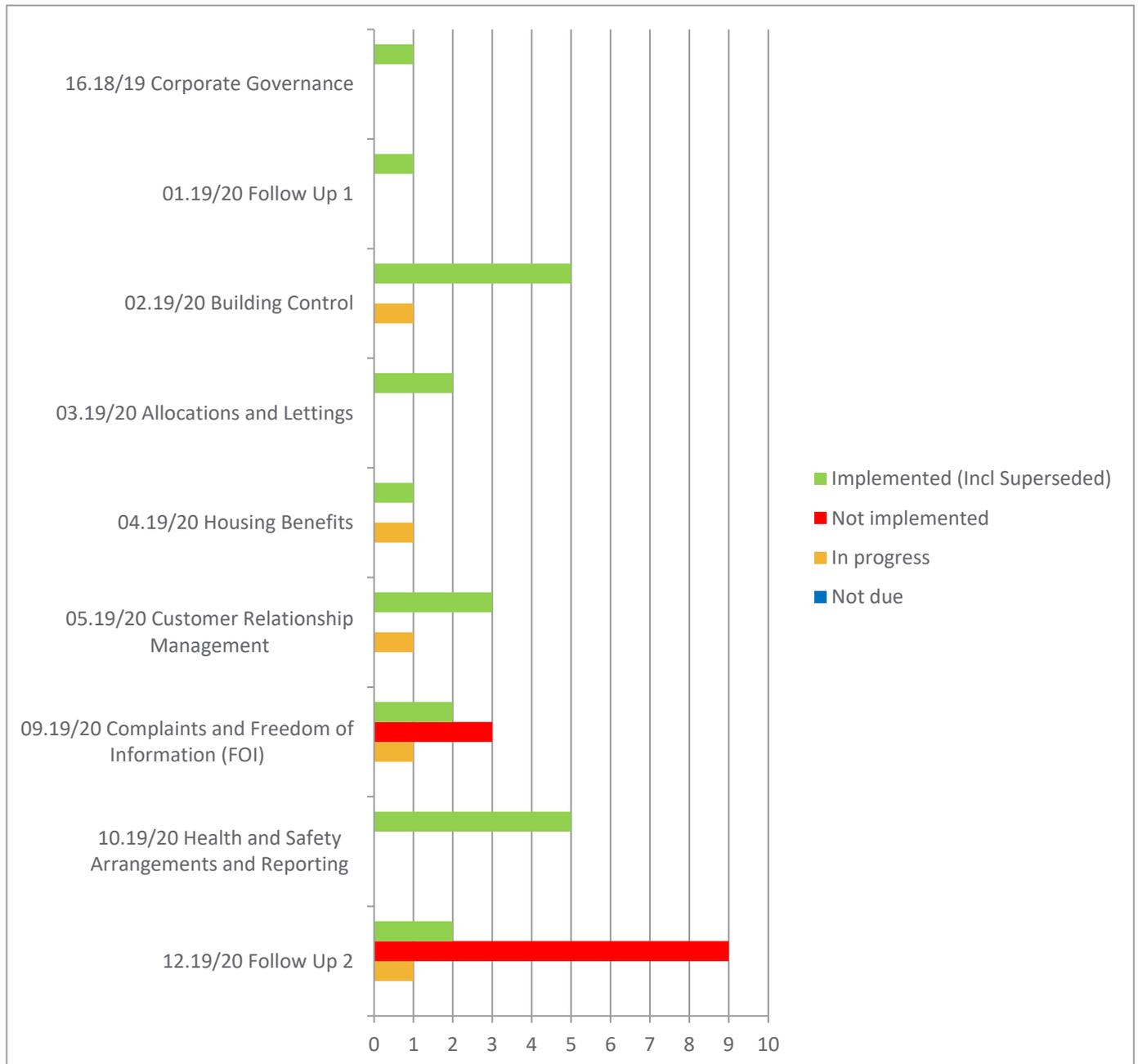
We have made new management actions where appropriate; these are detailed in section 2 of this report.

1.3 Action tracking

Action tracking enhances an organisation's risk management and governance processes. It provides management with a method to record the implementation status of actions made by assurance providers, whilst allowing the Audit Committee to monitor actions taken by management.

Action tracking is undertaken by South Kesteven District Council's management on a regular basis, with an update provided to the Governance and Audit Committee at each meeting.

The following graph highlights the progress made on the actions that have been followed up.



1.4 Progress on actions

Implementation status by review	Number of actions agreed	Status of management actions					
		Implemented (1)	Implementation ongoing (2)	Not implemented (3)	Superseded (4)	Not yet due (5)	Confirmed as completed or no longer necessary (1)+(4)
16.18/19 Corporate Governance	1	1	0	0	0	0	1
01.19/20 Follow Up 1	1	1	0	0	0	0	1
02.19/20 Building Control	6	3	1	0	2	0	5
03.19/20 Allocations and Lettings	2	2	0	0	0	0	2
04.19/20 Housing Benefits	2	1	1	0	0	0	1
05.19/20 Customer Relationship Management	4	3	1	0	0	0	3
09.19/20 Complaints and Freedom of Information (FOI)	6	2	1	3	0	0	2
10.19/20 Health and Safety Arrangements and Reporting	5	5	0	0	0	0	5
12.19/20 Follow Up 2	12	2	1	9	0	0	2

Implementation status by management action priority	Number of actions agreed	Status of management actions					
		Implemented (1)	Implementation ongoing (2)	Not implemented (3)	Superseded (4)	Not yet due (5)	Confirmed as completed or no longer necessary (1)+(4)
Low	16	10	2	4	0	0	10
Medium	23	10	3	8	2	0	12
Totals	39	20	5	12	2	0	22

2 FINDINGS AND MANAGEMENT ACTIONS

This report has been prepared by exception. Therefore, we have included only those actions graded as 2 and 3. Management have also provided an update as to the status of each action at the time of finalising the report. Each action followed up has been categorised in line with the following:

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.

02.19/20 Building Control

Ref	Management action	Original date	Original priority	Audit finding	Current status	Updated management action	Priority issued	Revised date	Responsible owner
1.	There have been delays in Legal in preparing the deed of variation. The deed of variation extending the Building Control Contract for another year to 31 March 2020 has now been prepared and will be signed and dated by all contracting parties (South Kesteven District Council, Rushcliffe Borough Council and Newark and Sherwood District Council) as soon as possible.	31 July 2019	Medium	The Building Control Lead confirmed that the deed of variation extending the Building Control Contract has been signed and dated by all relevant parties. This was initially delayed by Rushcliffe Borough Council and Newark and Sherwood District Council. The final draft agreement was provided; however, we are unable to confirm that the Deed of Variation extending the Building Control Contract has been signed by all relevant parties.	2	The deed of variation extending the Building Control will be signed by South Kesteven District Council, Rushcliffe Borough Council, Newark and Sherwood District Council. <i>Management Update:</i> <i>Action has been implemented</i>	Medium	31 October 2020	Building Control Lead Officer - Building Control (Shared Services)

04.19/20 Housing Benefit

Ref	Management action	Original date	Original priority	Audit finding	Current status	Updated management action	Priority issued	Revised date	Responsible owner
2.	Individuals' system access updated to block them from Declaration of Interests (DOIs) will be issued annually to all necessary staff to ensure that any new interests are identified, and the interest declared.	31 August 2019	Low	The Head of Customer Experience confirmed that at the time of audit the DOIs for 2020 were currently being undertaken with all users of the Northgate system being asked to declare their conflicts of interest to allow them to be blocked on the system.	2	The DOIs for 2020 will be completed and all declarations of interest will be blocked on Northgate. <i>Management Update: Action has been implemented</i>	Low	31 October 2020	Head of Customer Experience

05.19/20 Customer Relationship Management

Ref	Management action	Original date	Original priority	Audit finding	Current status	Updated management action	Priority issued	Revised date	Responsible owner
3.	The Data Disposal Module for Civica will be installed and data will periodically be removed in line with agreed timescales.	31 October 2019	Medium	The Head of Customer Experience confirmed that following the Civica upgrade in June 2020 the Data Disposal Module has now been reviewed. The implementation of this module is now being planned and tested and timescales are in the process of being agreed.	2	Once the implementation of the Data Disposal Module has been undertaken and set timescales agreed, data will be periodically removed. <i>Management Update: Action implementation ongoing</i>	Medium	31 December 2020	Customer Service Manager and Systems Support Programmer

09.19/20 Complaints and Freedom of Information (FOI)

Ref	Management action	Original date	Original priority	Audit finding	Current status	Updated management action	Priority issued	Revised date	Responsible owner
4.	The Council is intending to implement a new Civica Module for the handling of FOI and complaint requests. Once the new module has been implemented, refresher training will be provided on the use of Civica to ensure that responsibility and accountability in regard to FOI requests is understood.	31 March 2020	Medium	<p>The Head of Customer Experience confirmed that all FOI requests now go through to a Data Protection Support Officer who keeps a log of all FOI's and responds to them with the support of the Business support team who have been trained on FOI process and Civica.</p> <p>A Civica upgrade was due in December 2019 which would have enabled the Council to have more functionality and further modules. This upgrade took place in June followed by a change in payment system which has occupied more time than initial planned for.</p> <p>The Council are pursuing new modules with Civica to identify their capabilities and that it meets with the Council's required delivery of the service. Due to the COVID Pandemic and changes in immediate priorities this has set this back, but the Council are continuing to pursue this with Civica.</p>	3	<p>Once the new Civica module has been implemented, refresher training will be provided on the use of Civica to ensure that responsibility and accountability in regard to FOI requests is understood.</p> <p><i>Management Update:</i></p> <p><i>Action implementation ongoing</i></p>	Medium	31 December 2020	Head of Customer Experience

5.	The Council is intending to implement a new Civica Module for the handling of FOI and complaint requests. Once the new module has been implemented, monthly management reporting of FOI's will be actioned.	31 March 2020	Medium	<p>It was confirmed with the Head of Customer Experience that the Civica upgrade which was due to take place in December 2019 actually took place in June 2020 followed by a change in payment system which took more time than initially planned for.</p> <p>The implementation of the Civica Module has been delayed due to the COVID pandemic and changes in immediate priorities, but the Council are continuing to pursue this with Civica.</p>	3	<p>The Council is intending to implement a new Civica Module for the handling of FOI and complaint requests. Once the new module has been implemented, monthly management reporting of FOI's will be actioned.</p> <p><i>Management Update:</i> <i>Action implementation ongoing</i></p>	Medium	31 December 2020	Head of Customer Experience
6.	The Customer Feedback Process - Compliments, Comments and Complaints Guidance Document will be reviewed to ensure it is reflective of current working practices.	31 December 2019	Low	<p>Through discussion with the Head of Customer Experience it was confirmed that a research and review project on the feedback process has now taken place and the Council are reviewing their requirements going forward with a view to amendments and a new module outlining the relevant guidance being built and implemented.</p> <p>The updated recommendations are due to be reviewed by CMT and OSC later this year.</p>	2	<p>The Customer Feedback Process - Compliments, Comments and Complaints Guidance Document will be reviewed to ensure it is reflective of current working practices.</p> <p><i>Management Update:</i> <i>Action implementation ongoing</i></p>	Low	31 December 2020	Head of Customer Experience

7.	The Council is intending to implement a new Civica Module for the handling of FOI and complaint requests. Once the new module has been implemented, refresher training will be provided on the use of Civica to ensure that responsibility and accountability in regard to complaints is understood.	31 March 2020	Medium	The Council upgraded their Civica system in June 2020. The Council are now able to plan the implementation of the new modules specific to FOI. The Council are now pursuing new modules with Civica to identify their capabilities and that it meets with our required delivery of the service. Due to the COVID Pandemic and changes in immediate priorities this has delayed this work however, the Council are continuing to pursue this with Civica.	3	The Council is intending to implement a new Civica Module for the handling of FOI and complaint requests. Once the new module has been implemented, refresher training will be provided on the use of Civica to ensure that responsibility and accountability in regard to complaints is understood.	Medium	31 December 2020	Head of Customer Experience
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*Management Update:
Action implementation ongoing*

12.19/20 Follow Up 2

Ref	Management action	Original date	Original priority	Audit finding	Current status	Updated management action	Priority issued	Revised date	Responsible owner
8.	<u>18.17/18 Corporate Governance</u> The Council, in regard to its website, will ensure that; a) The information required to be published by the	31 January 2020	Medium	The Head of Finance confirmed that information required to be published in line with the Transparency Code has not been published. This is due to audits scheduled in the near future where it can be	3	The Council, in regard to its website, will ensure that; a) The information required to be published by the Transparency	Medium	31 December 2020	Head of Finance Head of Town Centres

Transparency Code for 2019/20 will be published.

b) The number of marked out controlled on and off-street parking spaces within their area, or an estimate of the number of spaces where controlled parking space is not marked out in individual parking bays or spaces will be published.

c) Details of invitation to tender for contracts to provide goods and/or services with a value that exceeds £5,000

better identified what information is missing.

On review of the Council's website it was found that details regarding current contracts held with the Council are currently displayed on the Council's website. Procurement requirements only require details of invitation to tender for goods/ services over £50,000 to be published.

The management action is therefore being reiterated.

Code for 2019/20 will be published.

b) The number of marked out controlled on and off-street parking spaces within their area, or an estimate of the number of spaces where controlled parking space is not marked out in individual parking bays or spaces will be published.

*Management Update:
Actions have been implemented*

9.	<u>5.17/18 Cyber Security</u> Upon completion of the Agile Working Project becoming live; a) The Password Policy for the Domain User Group and Councillor's group will be updated. b) The updated Password Policy will be communicated to staff.	31 January 2020	Low	Previously passwords on Council devices have not been globally forced to be changed on a regular basis as it would cause major problems for Councillors as they had been using mainly iPads and iPads are not capable of doing a forced password change without IT intervention. Due to this, the Council would have to reconfigure everyone's mail access with a new password.	3	Upon all Councillors receiving Microsoft Devices, The Password Policy will be updated and circulated.	Low	31 December 2020	Head of Customer Experience
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*Management Update:
Action implementation ongoing*

				<p>Since issuing new Microsoft devices to the Councillors the iPads are now the minority and it is possible to do a global password change, which would now only affect a few iPad users mail.</p> <p>This process will now be actioned, and a new policy circulated.</p>					
10.	<u>2.18/19 Pre-Application Fees</u>	30 April 2020	Medium	<p>It was confirmed with the Office Manager that the implementation of the new 'Adelante' payment system was only achieved in the last few weeks. However, the new payment system still does not allow for reconciliations to be completed.</p> <p>Finance are aware of this and are working with the department to explore possible solutions. Due to the difficulties faced as a result of the COVID Pandemic, and the implementation of the new payment system, the Council have not been able to progress this further.</p>	3	<p>a) The reconciliations between February 2018 to February 2019 will be carried out; and</p> <p>b) Going forward the reconciliations will be carried out monthly.</p> <p><i>No update provided</i></p>	Medium	31 December 2020	Head of Development Management

11.	<u>6.18/19 Recruitment and Retention</u> A flowchart will be produced to show the recruitment process from start to finish.	31 January 2020	Low	It was confirmed with HR staff that online recruitment function of the iTrent system has not yet been fully implemented. At the time of audit, the HR Department explained that they are working with the system providers to fully upgrade the system. Once this upgrade has been implemented a flowchart can be produced outlining the recruitment process from start to finish.	3	A flowchart will be produced to show the recruitment process from start to finish. <i>Management Update:</i> <i>Action implementation ongoing</i>	Low	31 December 2020	Head of Organisational Development
12.	<u>8.18/19 Land Charges</u> We will ensure changes made to the register are independently reviewed to supporting documentation and checked for accuracy by another member of the team after the change has been made.	31 March 2020	Medium	It was confirmed with the Office Manager that a rota has been introduced within the team to allow for regular periods of time to be allocated each week to the logging and checking of registrations. Such registrations are now input by one member of staff and then checked by another. It was confirmed with the Office Manager that the Council still have registrations outstanding due to a number of staffing issues as a result of the COVID Pandemic.	3	We will ensure changes made to the register are independently reviewed to supporting documentation and checked for accuracy by another member of the team after the change has been made. <i>No update provided</i>	Medium	31 December 2020	Head of Development Management

13.	<u>10.18/19 Purchase Orders and Creditors</u> a) Monthly monitoring reports will be produced and reviewed to identify repeat offenders. b) Repeat offenders will be reminded of the importance of ensuring a purchase order is raised prior to the ordering of goods or services from suppliers. c) An escalation process will be implemented.	31 January 2020	Medium	It was confirmed through discussions with the Head of Finance that work is ongoing to ensure that individuals are aware of the importance of raising purchase orders prior to the goods being received.	3	Departments who continually raise purchase orders retrospectively will reminded of the importance of raising purchase orders prior to receiving the goods. <i>Management Update:</i> <i>Action implementation ongoing</i>	Medium	31 December 2020	Head of Finance
14.	<u>13.18/19 Fire Safety</u> Management will ensure that the Emergency Lighting tests are completed before their due date.	30 April 2020	Medium	The Emergency Lighting Tests log was obtained and reviewed. Upon review it was found that all but two Emergency Lighting tests have now been completed. Work on the remaining tests has been delayed due to the situation regarding the COVID Pandemic.	2	Management will ensure that the Emergency Lighting tests are completed before their due date. <i>Management Update:</i> <i>Action has been implemented</i>	Medium	31 December 2020	Assets and Estates Manager – General Fund Assets

15.	<u>13.18/19 Fire Safety</u> On completion of the surveys of the sheltered accommodation and flat with communal facilities, the Stay Put Policy will be amended for each property based on the findings of the survey.	28 February 2020	Low	Through discussion with the Head of Improvement and Repairs it was confirmed that the Stay Put Policy has not been amended to reflect the findings of the sheltered accommodations surveys as these surveys have not yet been fully completed.	3	On completion of the surveys of the sheltered accommodation and flat with communal facilities, the Stay Put Policy will be amended for each property based on the findings of the survey.	Low	31 December 2020	Head of Improvements and Repairs
						<i>Management Update: Action still to be implemented</i>			
16.	<u>13.18/19 Fire Safety</u> a) Fire Risk Assessments will be undertaken to all of the communal areas within the housing stock in Jan/Feb 2021. b) Going forward Fire Risk Assessments will be reviewed annually for all properties where one is required based on the structure, layout and use of the property. c) Where the use or layout of the building changes requiring a new Fire Risk Assessment these will be carried out and any arising actions implemented.	28 February 2020	Medium	The Improvements Manager outlined that work on Fire Risk Assessments has not taken place. These will be undertaken in Jan/Feb 2021. The Improvements Manager confirmed that a new Service Head is due to be starting with the Council and upon them taking up their new position it will be discussed with them the best way to progress with this action.	3	Upon the new Service Head coming into post it will be discussed with them the best way to progress with the completion of Fire Risk Assessments. The new adopted approach will ensure that: a) Fire Risk Assessments will be undertaken on completion of the surveys. b) Going forward Fire Risk Assessments will be reviewed annually for all properties where	Medium	28 February 2021	Improvements Manager

						<p>one is required based on the structure and layout of the property.</p> <p>c) Where the use or layout of the building changes requiring a new Fire Risk Assessment these will be carried out and any arising actions implemented.</p> <p><i>Management Update:</i></p> <p><i>Action still to be implemented</i></p>			
17.	<p><u>14.18/19 Payroll and Expenses</u></p> <p>The Expenses Policy will be reviewed and updated to reflect current working practices.</p>	<p>31 January 2020</p>	<p>Low</p>	<p>The Head of Finance confirmed that the Expenses Policy is currently under review with the view to having it completed by the end of the year.</p>	<p>3</p>	<p>The Expenses Policy will be reviewed and updated to reflect current working practices.</p> <p><i>Management Update:</i></p> <p><i>Action implementation ongoing</i></p>	<p>Low</p>	<p>31 December 2020</p>	<p>Head of Finance</p>

APPENDIX A: SCOPE

Scope of the review

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

Objective of the area under review

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

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

Areas for consideration:

As part of the approved internal audit periodic plan we will review the 40 (23 'Medium' and 17 'Low') management actions agreed in the following Internal Audit reviews:

- 16.18/19 Corporate Governance;
- 01.19/20 Follow Up 1;
- 02.19/20 Building Control;
- 03.19/20 Allocations and Lettings;
- 04.19/20 Housing Benefits;
- 05.19/20 Customer Relationship Management;
- 09.19/20 Complaints and Freedom of Information (FOI);
- 10.19/20 Health and Safety Arrangements and Reporting; and
- 12.19/20 Follow Up 2.

As part of our audit work, we will carry out testing to confirm implementation of 'Medium' priority management actions but will only obtain management confirmation on the progress made with the 'Low' priority management actions.

Limitations to the scope of the audit assignment:

- Detailed testing will only be carried out on 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.
- Our work does not provide absolute assurance that material errors, loss or fraud do not exist.

APPENDIX B: ACTIONS COMPLETED AND SUPERSEDED

From the testing conducted during this review we have found the following actions to have been fully implemented and are now closed:

Assignment title	Management actions
16.18/19 Corporate Governance	<p>a) Staff will ensure that adequate explanation is provided where 'No's' have been recorded on the Annual assurance Statements.</p> <p>b) Staff will ensure that where a 'Yes' is recorded on the statement an adequate explanation is provided to support and evidence how compliance to the criteria on the statement is being met.</p>
01.19/20 Follow Up 1	<p><u>7.18/19 Rent Collections and Arrears</u></p> <p>a) The date the rent increase letter is issued to the tenant will be recorded in full on the letter for example 3 March 2019.</p> <p>b) Currently the Council approves the council tax increase and rent increases on the first Thursday in February. In order to comply with legal requirement for the rent increase letter to be issued giving at least 28 notice, the Council will consider moving the date of the approval of the council tax and rent increase to allow for the required notice period to be given.</p>
02.19/20 Building Control	Documented procedure notes for Building Control will be maintained on a central folder accessible to all relevant staff.
02.19/20 Building Control	Staff will be reminded by email to ensure that the detail of the quote(s) is maintained on file with the application.
02.19/20 Building Control	<p>Staff will be reminded by email to ensure that:</p> <p>a) The validity code is recorded on the Uniform system.</p> <p>b) A copy of the receipt is maintained on file with the application.</p> <p>c) A written acknowledgement is issued to applicants following validation, registration onto the Uniform system and receipt of the correct fee and a copy is maintained on file.</p>
02.19/20 Building Control	Staff will be reminded by email to ensure that the decision notices are issued within the statutory periods (five weeks or eight weeks in event of an extension to the time period).
02.19/20 Building Control	Staff will be reminded by email to ensure that a copy of the certificate issued to the applicant is maintained on file.
03.19/20 Allocations and Lettings	On completion of the consultation on the Tenancy Strategy and approval of this Strategy by the Cabinet the Tenancy Strategy will be published on the Council's website and will be communicated and disseminated to all the staff.

03.19/20 Allocations and Lettings	<p>a) A New Tenancy Visits monitoring process has been put in place to monitor the visits.</p> <p>b) All the relevant staff will be reminded to ensure that the tenancy visits are:</p> <p>i) Are recorded onto the system; and</p> <p>ii) Made within the prescribed timeframes.</p>
04.19/20 Housing Benefits	Each benefit claim which is required to be referred to the Rent Officer will be independently checked by a Benefits Team Leader prior to being submitted.
05.19/20 Customer Relationship Management	All starters and leavers will be communicated to the Project Delivery Officer or the Systems Support Programmer to enable them to be removed from Civica in a timely manner.
05.19/20 Customer Relationship Management	It will be investigated if Civica has the functionality to block accounts. Alternatively, a process will be implemented to ensure staff are unable to deal with contacts from family or friends without sufficient approval or control processes.
05.19/20 Customer Relationship Management	An increased strategic focus will be given to Civica to obtain value for money and ensure all departments are utilising Civica to its full potential. Resourcing for the project will be analysed to identify any additional needs.
09.19/20 Complaints and Freedom of Information (FOI)	The Guidance for Dealing with Requests for Information under the Freedom of Information Act (FOIA) 2000 and Environmental Information Regulations document will be reviewed to ensure it is reflective of current working practices.
09.19/20 Complaints and Freedom of Information (FOI)	The Civica Complaints Procedure Document will be reviewed and all personal details contained within it will be removed.
10.19/20 Health and Safety Arrangements and Reporting	<p>All Health and Safety guidance documents on the Council's intranet page will be reviewed and updated.</p> <p>Set review dates will be documented for all guidance documents.</p>
10.19/20 Health and Safety Arrangements and Reporting	All generic risk assessments maintained by the Corporate Health and Safety Team will be reviewed and a revised review date will be documented for each assessment.
10.19/20 Health and Safety Arrangements and Reporting	<p>Risk Assessments for the Property Department will be reviewed and updated.</p> <p>A set review date will be documented for each assessment.</p>
10.19/20 Health and Safety Arrangements and Reporting	<p>A training log will be developed and maintained by the Property Department.</p> <p>The log will detail all Health and Safety and job-specific training that staff members within the department have received.</p>

10.19/20 Health and Safety Arrangements and Reporting

A reminder will be issued to all Council staff members to highlight the importance of ensuring Accident and Incident Report Forms are provided to the Corporate Health and Safety Team within 10 days of an incident taking place.

12.19/20 Follow Up 2

19.17/18 Right to Buy

EPCs for all properties are held on the central government Landmark EPC database site accessible to all. PDF copies of EPCs for RTB sales will be provided to the Council's solicitor via the Income Team Co-ordinator from January 2019 in line with the management action.

12.19/20 Follow Up 2

14.18/19 Payroll and Expenses

A reminder will be issued to all staff to ensure that a corresponding receipt is uploaded onto the payroll system when making an expense claim.

FOR FURTHER INFORMATION CONTACT

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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.

The matters raised in this report are only those which came to our attention during the course of our review and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Actions for improvements should be assessed by you for their full impact. This report, or our work, should not be taken as a substitute for management's responsibilities for the application of sound commercial practices. We emphasise that the responsibility for a sound system of internal controls rests with management and our work should not be relied upon to identify all strengths and weaknesses that may exist. Neither should our work be relied upon to identify all circumstances of fraud and irregularity should there be any.

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