

South Kesteven District Council

Internal Audit Progress Report

Governance and Audit Committee meeting: 20 October 2021

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1 Key messages

The internal audit plan for 2021/22 was approved by the Governance and Audit Committee at the 18 March 2021 meeting. As the developments around Covid-19 will continue to impact on all areas of the Council's risk profile, we will work closely with management to deliver an internal audit programme which remains flexible and 'agile' to ensure it meets your needs in the current circumstances.

This report provides an update on progress against that plan and summarises the results of our work to date.



Since the Governance and Audit Committee last met, we have finalised five reports: Local Authority Searches, Housing Compliance, Income and Banking, Continuous Assurance 2 and Follow Up 2.

A summary of the outcomes of the Local Authority Searches, Housing Compliance, Income and Banking and Continuous Assurance 2 audit are included at Section 2 and further details are appended to this report. [\[To discuss and accept\]](#)



The Follow Up 2 report is issued as a separate agenda item and this review resulted in a 'reasonable progress' opinion being made to implement previously agreed actions. [\[To note\]](#)



The individual assignment dates for the 2021/22 internal audit plan have been agreed with management since the last Governance and Audit Committee meeting.

See Appendix A for further details. [\[To note\]](#)




Management have requested one change to the 2021/22 internal audit plan since the last meeting committee meeting. It has been agreed with the Director of Finance to remove the 'Project Governance' audit.

See Appendix B for further details. [\[To note\]](#)

2 Reports

2.1 Summary of final report being presented to this committee

This section summarises the report that has been finalised since the last meeting.

Assignment	Opinion issued	Actions agreed		
		H	M	L
<p>Local Authority Searches</p> <p><u>Objective of review:</u></p> <p>To provide assurance that appropriate arrangements are in place to maintain the Land Charges register is up to date, and that all search requests are handled in line with procedure and undertaken in a timely manner, the relevant fees are received and that joint working is undertaken with other key Council departments.</p> <p><u>Overall assurance rating and management actions:</u></p> <p>Overall, we found that the controls in place regarding Local Authority Searches at the Council are adequately designed and are operating effectively. However, not all searches are currently being processed within the specified internal timeframe, though management were fully aware of this and are able to track current timeframes through reporting mechanisms in place.</p> <p>We have agreed two ‘medium’ and one ‘low’ priority actions. The medium priority actions relate to:</p> <ul style="list-style-type: none"> We conducted sample testing to confirm that search requests had been processed within the Council’s specified timeframe of 22 working days and noted that six searches had been completed within the Council’s timeframe of 22 working days; though it should be noted that the current Government target is 10 working days. In the remaining four instances, searches averaged 26 working days. 		0	2	1

Assignment	Opinion issued	Actions agreed		
		H	M	L

- However, in three instances; the payment was received and confirmed by the Council before the search was officially logged within the Total Land Charges System - which is the date used to start and record the 22 day timeframe. From our sampling results, the maximum delay was three working days between the appropriate payment and documentation being received, and the search being recorded within the system. This provides a risk that the Council are not accurately logging the stated timeframe to process searches, and potentially underestimating the time taken. In the remaining seven instances, the search was accepted and logged the following working day from the payment being received.
- Currently not all registrations and amendments are checked for accuracy, with only spot checks being performed. For a sample of 10 registrations and amendments, we were only able to evidence that five of these had been independently verified by another member of staff. It should also be noted that this was previously raised as part of a follow up audit.
- It was also highlighted that there is currently no formal guidance in place to advise staff on how these registrations and amendments should be verified and logged, risking inconsistent practices across the team.

Housing Compliance

2 4 0

Objective of review:

To provide assurance that policies and procedures are being consistently, effectively and efficiently applied: ensuring that all statutory responsibilities are met in relation to Gas Safety Checks, Fire Risk Assessments, Electrical Testing, Legionella and Asbestos.

Overall assurance rating and management actions:

Overall, we found that the Council has strengthened its control framework over the past 12 months in relation to compliance - gas, electrical, legionella, asbestos and fire safety. However, we have identified continuing gaps in the control framework and weaknesses in adherence to the controls for managing housing compliance safety checks.



Assignment**Opinion issued****Actions agreed**

H M L

We have agreed two 'high' and four 'medium' priority actions. These actions relate to:

- Our review of the Asbestos Management Strategy confirmed that it was last subject to review in June 2014 and that there are no documented procedures in respect to water hygiene.
- A training matrix is in place at the Council; however, our review has confirmed that currently no training is being delivered against it. For a sample of 10 selected staff members, we received no evidence of relevant training.
- Testing a sample of 20 properties requiring electrical safety checks confirmed in nine instances an electrical safety check had been carried out within the past five years and certification retained on file. In a further six instances, testing identified that an electrical safety check had been carried out and certification retained on file; however, electrical safety checks for these properties was not within the last five years, with one check being completed in 2010, one in 2012, one in 2014, two checks in 2015, and the final check being completed in June 2016. In the remaining five properties, no certification of an electrical safety check was provided.
- The Council launched their new compliance management system, Propeller, in July 2021 and are currently in a transitional period for ensuring that all the data uploaded on Propeller is correct. Due to the transitional period the Council are in with their data, for our selected properties for compliance testing we were unable to test back to Propeller to ensure that the dates held matched that of the safety certifications. Discussions with the Head of Housing Technical Services outlined that currently the Council are performing manual checks from legacy spreadsheets to ensure safety checks are being scheduled and completed as appropriate.

Assignment	Opinion issued	Actions agreed		
		H	M	L

- Propeller holds the capacity to record and report on any remedial actions raised as part of a safety check. As the Council are currently in a transitional period with their data, the Head of Housing Technical Services outlined that the upload and monitoring of remedial actions on Propeller is ongoing work. A spreadsheet is maintained for all fire risk assessment actions and updates on the status of remedial actions is provided at fortnightly meetings with the regulator.
- Management reports are currently not being produced from the Propeller system due to the Council being in a transitional period of ensuring the data held within the system is correct.

Income and Banking

3 2 5

Objective of review:

To ensure that income and bank processes across a sample of Council departments are operating effectively and will cover the process for receiving and receipting cash income, allocation to customer accounts, banking, and receipt in the Councils bank account.



Overall assurance rating and management actions:

Overall, we found that the Council has a control framework in place for managing income and banking across the Council departments reviewed. However, testing confirmed that the controls are not always consistently applied and significant control weaknesses were identified.

We have agreed three 'high' and two 'medium' and five 'low' priority actions, further details of which are appended to the restricted element of this report.

Continuous Assurance 2

No opinions are issued for Continuous Assurance reviews 1 2 6

The second continuous assurance review has been completed in order to provide management with assurance that the 10 key controls agreed with management are in place and operating effectively. These controls are considered as non-negotiable areas of compliance, that management require assurance on throughout the year on their functionality and effectiveness.

Assignment**Opinion issued****Actions agreed****H M L**

As a result of testing undertaken, one 'high', two 'medium' and six 'low' priority management actions were identified, and these were agreed by management. The findings were in relation to the following areas: Land Searches, Planning Applications, Purchase Orders and Invoicing, Supplier Bank Accounts, Housing Repairs, Starters, IT Access Controls, Issue of Licenses and Complaints. Further details are appended to this report.

Appendix A – Progress against the internal audit plan 2021/22

Assignment	Status / Opinion issued	Actions agreed			Audit Date agreed with management	Governance and Audit Committee meeting
		H	M	L		
Disabled Facilities Grant	Final report issued / Substantial Assurance	0	0	0	20 May 2021	July 2021
Continuous Assurance 1	Final report issued / No opinions are issued for Continuous Assurance reviews	0	3	2	1 June 2021	July 2021
Follow Up 1	Final report issued / Reasonable Progress	0	1	2 *	2 June 2021	July 2021
Local Authority Searches	Final report issued / Reasonable Assurance	0	2	1	21 June 2021	October 2021
Income and Banking	Final report issued / Partial Assurance	3	2	5	21 June 2021	October 2021
Follow Up 2	Final report issued / Reasonable Progress	0	3	1	9 August 2021	October 2021
Housing Compliance	Final report issued / Partial Assurance	2	4	0	16 August 2021	October 2021
Continuous Assurance 2	Final report issued / No opinions are issued for Continuous Assurance reviews	1	2	6	31 August 2021	October 2021
Council Subsidiary Companies	Draft report issued				13 September 2021	December 2021
Medium Term Financial Planning	Fieldwork commenced				27 September 2021	December 2021
Follow Up 3	Not yet commenced				18 October 2021	December 2021
Street Scene – Stock	Not yet commenced				22 November 2021	December 2021
Continuous Assurance 3	Not yet commenced				15 November 2021	March 2022
Follow Up 4	Not yet commenced				7 February 2022	March 2022
Continuous Assurance 4	Not yet commenced				8 February 2022	March 2022

* The Follow Up 1 audit also resulted in six non-categorised priority actions (relating to GDPR) as well as the one 'medium' and two 'low' priority actions.

Appendix B – Other matters

Changes to the audit plan since the last Governance and Audit Committee meeting

The current Covid-19 situation means that our clients and internal audit are working differently. We understand and recognise the Council's strategic objectives, and that the developments around Covid-19 will continue to impact on all areas of the Council's risk profile. We will work closely with management to deliver an internal audit programme which remains flexible and 'agile' to ensure it meets your needs in the current circumstances.

At the request of the Director of Finance, the 'Project Governance' review has been removed from the internal audit plan.

Other assurance activity

Note	Activity	Overview of output
1	Housing Benefit Grant Validation	We have completed the housing benefit grant validation testing and have provided the results to Management and the Council's external auditors. This work was undertaken as a separate engagement and we do not see this as a conflict of interest. The work performed does not form part of the internal audit annual opinion.

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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.

Our report is prepared solely for the confidential use of South Kesteven District Council and solely for the purposes set out herein. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights from RSM Risk Assurance Services LLP for any purpose or in any context. Any third party which obtains access to this report or a copy and chooses to rely on it (or any part of it) will do so at its own risk. 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 and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

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EXECUTIVE SUMMARY – LOCAL AUTHORITY SEARCHES

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.

Why we completed this audit

An audit of Local Authority Searches was undertaken at South Kesteven District Council as part of the approved internal audit periodic plan for 2021/22.

The Council have in place a specified timeframe of 22 working days to conduct land searches. Our audit aimed to evidence compliance with the specified timeframe, as well as ensuring documented policies and procedures were set up to support the process; staff roles and responsibilities; changes and updates to the land charges register were made in a timely manner and independently checked for accuracy and completeness; and processes were in place to ensure that the correct fees were received prior to processing any search requests.

Conclusion

Overall, we found that the controls in place regarding Local Authority Searches at the Council are adequately designed and are operating effectively.

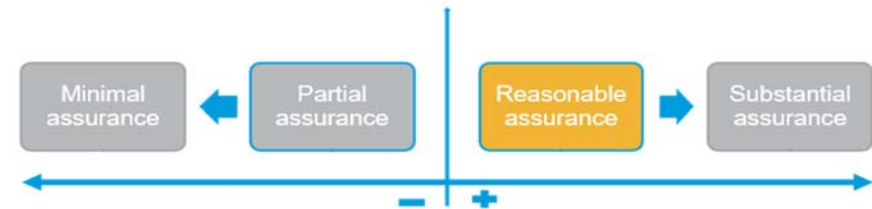
However, not all searches are currently being processed within the specified internal timeframe, though management were fully aware of this and are able to track current timeframes through reporting mechanisms in place.

Two medium and one low priority management actions have been included in this report in relation to policies and procedures, search timeframes and register amendments.

Internal audit opinion:

Taking account of the issues identified, the Council can take **reasonable assurance** that the controls in place to manage this risk are suitably designed, consistently applied and effective.

However, we have identified issues that need to be addressed in order to ensure that the control framework is effective in managing the identified risk



Key findings

We identified the following findings:



Through interviews with key staff members involved in the Local Authority Search process, we identified that the Local Land Charges team consists of a Local Land Charges Co-Ordinator, responsible for the team oversight and management information; two Land Charge Officers, and an agency member of staff responsible for processing searches.

All staff members were aware of their roles and responsibilities and the internal requirement of 22 days to process land searches, as stated on the Council's website.



Access to the Total Land Charges system is appropriately restricted to staff, in line with their roles and responsibilities.



We obtained a copy of the Council's Land Charges Fees for 2021/22 and confirmed these were revised in April 2021. The Fees are listed for several search types. These are also available publicly via the Council's website.

We were also able to obtain the Council's Budget Proposals for 2021/22 and indicative budgets for 2022/23 and 2023/24 report, and evidence that the Land Charge Fees had been appropriately approved.



From our sample of land searches conducted, we were able to identify two customers who currently have self-billing arrangements in place with the Council. We were able to obtain payment statements from these customers, and sample checked 28 individual searches across both customers, to ensure the correct fees had been received. In all 28 instances, the correct fee had been calculated and received.



We conducted sample testing to confirm that where searches had been requested; the searches were completed, and the correct fees were received prior to processing any searches. In all instances the correct fees had been received prior to processing the search and the search requests had been accurately logged and processed by the Council.



We were able to evidence that the team produce a Local Land Charges (LLC) Productivity Data spreadsheet, which tracks the amount of search requests received by the team, and the average turnaround for these searches in working days.

From this data, the team are able to produce a Search Volume Report, which produces a view of how many searches were despatched, the average turnaround time, the best and worst search turnaround time, and the percentage that were completed within 10 working days (the Government's official guidance target).

However, we have identified the following findings which have led to **two medium** and one low priority actions:



We conducted sample testing to confirm that search requests had been processed within the Council's specified timeframe of 22 working days.

From our sample of 10, we identified the following:

- Six searches had been completed within the Council's timeframe of 22 working days; though it should be noted that the current Government target is 10 working days.
- In the remaining four instances, searches averaged 26 working days.

However, in three instances, the payment was received and confirmed by the Council before the search was officially logged within the Total Land Charges System - which is the date used to start and record the 22 day timeframe. From our sampling results, the maximum delay was three working days between the appropriate payment and documentation being received and the search being recorded within the system. This provides a risk that the Council are not accurately logging the stated timeframe to process searches and potentially underestimating the time taken. In the remaining seven instances the search was accepted and logged the following working day from the payment being received.



Currently not all registrations and amendments are checked for accuracy with only spot checks being performed. For a sample of 10 registrations and amendments, we were only able to evidence that five of these had been independently verified by another member of staff. It should also be noted that this was previously raised as part of a follow up audit.

It was also highlighted that there is currently no formal guidance in place to advise staff on how these registrations and amendments should be verified and logged, risking inconsistent practices across the team.



Through discussions with the Office Manager we confirmed that there is no formal policy in place for LLC searches and there is no guidance document to support the process of conducting a full search. This creates a potential risk that staff may not be fully aware of the guidance and timeframe requirements for the Local Authority Search process, and training and guidance may be inconsistent across the team.

2. DETAILED FINDINGS AND ACTIONS

This report has been prepared by exception. Therefore, we have included in this section, only those areas of weakness in control or examples of lapses in control identified from our testing and not the outcome of all internal audit testing undertaken.

Area: Policies & Procedures	
Control:	There is a formal policy in place for conducting LLC searches.
	Assessment: Control x Compliance
Findings / Implications	<p>It was confirmed by the Office Manager that there is not a formal policy in place for LLC searches and there is no guidance document to support the process of conducting a full search. This creates a potential risk that staff (particularly newer members of staff) may not be fully aware of the guidance and timeframe requirements for the Local Authority Search process, and training and guidance for staff may be inconsistent across the team.</p> <p>We were provided with several copies of procedural documentation in use at the Council to assist the Local Authority Searches process. These are listed below:</p> <ul style="list-style-type: none"> • Procedure Notes for One Note (homeworking) for both personal searches and land charges • Processing LLC searches in Total Land Charges System (TLC) • LLC Preliminary tasks • Removal of an LLC registration from TLC <p>The procedure notes for One Note were created in response to the COVID-19 pandemic, as the majority of the Council's staff were instructed to work from home. Upon review, we noted that the notes show staff how to add new records for land charges and PSA's on One Note using Outlook.</p> <p>The procedure note for processing LLC searches in the TLC system provides a high-level summary for staff and advises them to look at the TLC User Guide if they require more detailed instructions.</p> <p>The procedure notes for removal of an LLC registration from TLC provides a high-level step by step summary of how to remove registrations from the system, and also advises staff to ensure the appropriate documentation is in place, prior to doing so.</p> <p>The document outlining the LLC's preliminary tasks provides step by step guidance of all pre work that should be carried out to support the Local Land Searches process.</p> <p>Procedure notes are available to all staff within the team via the teams shared drive and we were able to evidence the reviewed documents were uploaded to the drive.</p>

Area: Policies & Procedures

Management Action 1	Management will implement a formal policy to support the LLC searches and registration process. Management will implement a documented working procedure, or guidance notes to support the process of conducting a full LCC search.	Responsible Owner: Head of Governance	Date: 31 December 2021	Priority: Low
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Area: Local Authority Searches

Control:	Upon receipt of a correctly completed application form, together with the appropriate fee, the Council completes searches within 22 working days.	Assessment:	
		Control	✓
		Compliance	x

Findings / Implications We obtained a copy of the land searches record from June 2020 to May 2021. From this record we selected a random sample of 10 searches and requested evidence to confirm the below:

- The searches were completed and requestor informed – and the timeframe for this.
- The correct fees have been received prior to processing any applications or searches.
- The search requests had been accurately logged and processed by the Council.

From our sample, we identified the following:

- 6/10 searches had been completed within the Council timeframe of 22 working days; though it should be noted that the current government target is 10 working days.
- In the remaining four instances, searches averaged 26 working days.
- In all instances, the correct fees had been received prior to processing the search.
- In all instances the search requests had been accurately logged and processed by the Council.

However, in three instances, there was a delay logging searches following receipt of payment and documentation. From our sampling results the maximum delay was three working days between the appropriate payment and documentation being received and the search being recorded within the system. This provides a risk that the Council are not accurately logging the stated timeframe to process searches and potentially underestimating the time taken. In the remaining seven instances the search was accepted and logged the following working day from the payment being received.

The team also have in place an automatic reply when searches and enquires are received via email. However, for customers who request a search via post, receipt of these requests are not currently acknowledged which may risk customers feeling that they are not adequately informed regarding their applications.

Area: Local Authority Searches

Management Action 2	<p>Management will reduce the time taken on average to conduct searches, to align with the documented timeframe of 22 working days.</p> <p>Management will also implement a control to ensure that the search acceptance date is recorded as the date the payment was received.</p>	Responsible Owner:	Date:	Priority:
		Head of Governance	31 August 2021	Medium
	<p><u>Management Update</u></p> <p>This action is complete. The current average is 7 days although it has been as low as 4 days.</p>			

Area: Register Amendments

Control:	<p>Changes made to the register are independently reviewed to supporting documentation and checked for accuracy by a second member of the team after the change has been made.</p>	Assessment:				
		<table border="0"> <tr> <td>Control</td> <td>✓</td> </tr> <tr> <td>Compliance</td> <td>x</td> </tr> </table>	Control	✓	Compliance	x
Control	✓					
Compliance	x					

Findings / Implications	<p>We sampled 10 registrations and de-registrations to confirm that registrations and amendments to the register are made in a timely manner and independently checked for accuracy and completeness; and that charges are not removed from the register without valid supporting evidence.</p> <p>Our sampling identified the following findings:</p> <ul style="list-style-type: none"> • From a sample of five registrations all source documentation had been retained by the Council and we were able to evidence that these had been accurately made in line with the request. • From a sample of three de-registrations all source documentation had been retained by the Council and we were able to evidence that these had been accurately made in line with the request. • In two instances the team were unable to locate the de-registration documentation to evidence these had been carried out correctly. <p>It was also highlighted during our audit, that in relation to changes and additions to the register, not all registrations and amendments are checked to ensure accuracy and only periodic spot checks are performed. From our sample of 10 we were only able to evidence that five of these had been independently verified by a second member of the team. It should also be noted that this was previously raised as part of a follow up audit.</p>
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Area: Register Amendments

Management Action 3	<p>Management will ensure that a full audit trail is retained to support the registration and de registration process.</p> <p>Management will also ensure all changes made to the Land Charges Register are independently reviewed to supporting documentation and checked for accuracy by another member of the team after the change has been made.</p>	Responsible Owner: Head of Governance	Date: 31 March 2022	Priority: Medium
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EXECUTIVE SUMMARY – HOUSING COMPLIANCE – GAS, ELECTRICAL, LEGIONELLA, ASBESTOS & FIRE SAFETY

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 assurance 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.

Why we completed this audit

A review of Housing Compliance - Gas, Electrical, Legionella, Asbestos and Fire Safety was undertaken at South Kesteven District Council as part of the approved internal audit periodic plan for 2021/22.

Following the Housing Compliance internal audit review undertaken in 2020/21, the Council have implemented several new processes and systems to ensure they are compliant with all housing regulations. Most notably the implementation of Propeller, the compliance management system, that allows for all properties and compliance data to be easily managed from one system.

The Council have rolled out a rapid testing programme for electrical safety testing and are currently on track to receive 100 per cent compliance by March 2022. Significant work has also been undertaken over the past 12 months to ensure fire risk assessments are up to date for sheltered accommodation and communal housing.

There has been a new Head of Housing Technical Services recently appointed at the Council who is keen to build on the progress that has been made. The Council meet with the Regulator of Social Housing on a monthly basis to provide updates on progress made. An update on compliance is also provided to every meeting of the Council's Rural and Communities Overview and Scrutiny Committee.

The Council recognise that further work is required to ensure they are fully compliant with all housing regulations.

As part of this audit, we have followed up a total of nine actions previously raised in the housing compliance update audit in 2020/21. One action was not fully implemented and has been re-raised and is included in the detailed findings section.

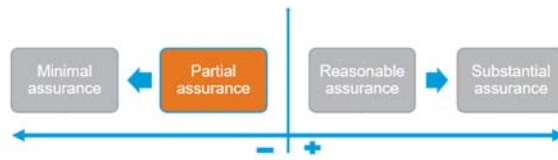
Conclusion

This review has confirmed that the Council has strengthened its control framework over the past 12 months in relation to compliance - gas, electrical, legionella, asbestos and fire safety. However, we have identified gaps in the control framework and weaknesses in adherence to the controls for managing housing compliance safety checks and as a result have agreed two 'high' and four 'medium' priority management actions. Further details are provided in Section 2 of this report.

Internal audit opinion:

Taking account of the issues identified, the Council can take partial assurance that the controls upon which the Council relies to manage Housing Compliance - Gas, Electrical, Legionella, Asbestos and Fire Safety are suitably designed, consistently applied or effective.

Action is needed to strengthen the control framework to manage the identified areas.



Key findings

We confirmed that the following controls are operating effectively in practice:



Our review confirmed that there is an up to date Housing Management Strategy in place at the Council. The Strategy is accessible to all staff and tenants via the Council's website.



Our review confirmed that there is up to date procedural guidance in place for gas safety, electrical safety and fire safety. Procedural guidance is made accessible to all staff via the staff intranet.



The Council is kept informed of regulatory updates via the GOV.UK website and through regular meetings with the Regulator of Social Housing.



Tenants are made aware of safety precautions that they can take to ensure that hazards within their homes are minimised. These include (but are not limited to) advice on managing the presence of asbestos, flushing water systems, ensuring adequate ventilation and a requirement to request permission to carry out any modification to any part of the home. All information is provided within Tenancy Agreements and the Tenants' Handbook, the Council's website and SKYline magazine.



Our review confirmed that there are valid signed contractual agreements in place for fire, gas, electric, legionella and asbestos management with contractors used by the Council to help carry out compliance work.



For a sample of 20 gas fuelled properties it was confirmed that there is a valid gas certificate in place and retained on file. For a sample of 10 properties requiring a fire risk assessment (FRA), testing confirmed that in all instances there is a valid FRA in place and retained on file. For a sample of 10 properties requiring an asbestos risk assessment, testing confirmed that in all instances there is a valid risk assessment in place and retained on file. For a sample of 10 properties requiring legionella checks, testing confirmed in all instances that these are being carried out monthly in line with agreed timescales.



Escalation procedures are in place for where checks are not completed due to access issues to properties.



Contractors, including the Council's direct labour organisation (DLO) are provided with access to the Asbestos Register with full details of any asbestos containing materials within a property before they commence any work on a property via Apex, the housing management system and the Council's DRS system, used to assign and record property related jobs.



Internal quality checks are carried out by Operatives on site visits to ensure compliance with Health and Safety procedures.



There is a process in place for identifying health and safety breaches and reporting them via Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR). At the time of audit it was confirmed with management that no health and safety breaches had been reported since 2019.



Management are regularly and accurately briefed on the Council's compliance with health and safety legislation, with reporting undertaken at the Health and Safety Operational Group on a quarterly basis as well as via internal compliance meetings held on a fortnightly basis.

We identified the following findings where management actions were agreed:



Our review of the Asbestos Management Strategy confirmed that it was last subject to review in June 2014 and that there are no documented procedures in respect to water hygiene.



A training matrix is in place at the Council; however, our review has confirmed that currently no training is being delivered against it. For a sample of 10 selected staff members, we received no evidence of relevant training.



Testing a sample of 20 properties requiring electrical safety checks confirmed in nine instances an electrical safety check had been carried out within the past five years and certification retained on file. In a further six instances, testing identified that an electrical safety check had been carried out and certification retained on file; however, electrical safety checks for these properties was not within the last five years, with one check being completed in 2010, one in 2012, one in 2014, two checks in 2015, and the final check being completed in June 2016. In the remaining five properties, no certification of an electrical safety check was provided.



The Council launched their new compliance management system, Propeller, in July 2021 and are currently in a transitional period for ensuring that all the data uploaded on Propeller is correct. Due to the transitional period the Council are in with their data, for our selected properties for compliance testing we were unable to test back to Propeller to ensure that the dates held matched that of the safety certifications. Discussions with the Head of Housing Technical Services outlined that currently the Council are performing manual checks from legacy spreadsheets to ensure safety checks are being scheduled and completed as appropriate.



Propeller holds the capacity to record and report on any remedial actions raised as part of a safety check. As the Council are currently in a transitional period with their data, the Head of Housing Technical Services outlined that the upload and monitoring of remedial actions on Propeller is ongoing work. A spreadsheet is maintained for all fire risk assessment actions and updates on the status of remedial actions is provided at fortnightly meetings with the regulator.



One action raised as part of the housing compliance update audit in 2020/21 has also been reraised. Details can be found in section 2 of this report.

DETAILED FINDINGS AND ACTIONS

This report has been prepared by exception. We have therefore only included in this section those areas of weakness in control or examples of lapses in control identified from our testing and not the outcome of all internal audit testing undertaken.

Objective: A compliance audit to confirm policies and procedures are being consistently, effectively and efficiently applied: ensuring that all statutory responsibilities are met.

Control	Assessment:
Procedural guidance is in place for:	
<ul style="list-style-type: none"> – Gas Safety checks (including solid fuel and oil-fired installations); – Fire Risk Assessments; – Electrical Testing; – Legionella; and – Asbestos. 	Design ✓ Compliance ×
The procedures are maintained up to date and available to all staff.	

Findings / Implications	<p><u>Asbestos</u></p> <p>An Asbestos Management Strategy is in place at the Council. The Strategy provides information and guidance on the following areas:</p> <ul style="list-style-type: none"> – Asbestos management plan; – Duties and responsibilities; – Training; – Legislation; – Inspections and surveys; – Use of contractors; and – Asbestos management procedures. <p>The Asbestos Management Strategy was last updated in June 2014. If the Asbestos Management Strategy is not subject to regular review, there is a risk that staff will not be following the most up to date guidance.</p>
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Legionella

There is a Legionella Management Protocol in place at the Council. The protocol outlines information regarding legionella legislation, duties and responsibilities, training, risk assessments and housing stock risks. However, there is currently no procedural guidance for legionella and water hygiene processes in place at the Council. If there are no documented procedure notes in respect of water hygiene, there is a risk that staff will not be aware of the relevant processes and how best to manage associated risks.

Management Action 1	a) The Asbestos Management Strategy will be reviewed and updated as appropriate. b) Procedural guidance will be implemented in respect to legionella checks.	Responsible Owner: Head of Housing Technical Services	Date: 31 March 2022	Priority: Medium
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Objective: A compliance audit to confirm policies and procedures are being consistently, effectively and efficiently applied: ensuring that all statutory responsibilities are met.

Control	<u>Missing Control</u> Staff have been provided with relevant training on health and safety, and specialist housing compliance areas including legionella and asbestos, where required.	Assessment:	
		Design	×
		Compliance	-

Findings / Implications	<p>The Council have devised a training matrix that outlines the training requirements of key team members and managers for the following areas of housing compliance:</p> <ul style="list-style-type: none"> - Fire safety; - Gas safety; - Electrical testing; - Asbestos; - Water hygiene; and - Lift safety. <p>In addition to providing the details of the training required, the training matrix also outlines the frequency in which the training should be undertaken and the associated competency skills. The Head of Housing Technical Services advised that any training against that training matrix has not been delivered.</p> <p>A sample of 10 staff from a housing staff list were selected for testing. No relevant training records were provided for the selected staff sample. However, a training matrix was provided for the Improvements Team detailing the training that has previously been undertaken. Discussions with the Head of Housing Technical Services confirmed that whilst refresher and additional training is still required, the matrix does illustrate that key staff have been provided with training on asbestos, legionella and general health and safety previously.</p> <p>If up to date training is not delivered to staff, there is a risk that staff may not be fully aware of the relevant procedures in regard to health and safety and housing compliance.</p>
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Management Action 2	The Council will start delivering training against their newly devised training matrix. <i>Management Comment</i> The roll out of all the training required will be costly and require more time to implement due to budget issues.	Responsible Owner: Head of Housing Technical Services	Date: 31 December 2022	Priority: High
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Objective: A compliance audit to confirm policies and procedures are being consistently, effectively and efficiently applied: ensuring that all statutory responsibilities are met.

Control	Electrical safety checks are carried out every five years by an approved contractor. Certification of the check is provided and retained by the Council	Assessment:			
		Design ✓			
		Compliance ×			
Findings / Implications	<p>In line with agreed timescales electrical safety checks must be carried out on a five-year basis. A sample of 20 properties were selected for testing. Testing confirmed that in nine instances an electrical safety check had been carried out within the past five years and certification retained on file. In a further six instances, testing identified that an electrical safety check had been carried out and certification retained on file; however, electrical safety checks for these properties was not within the last five years, with one check being completed in 2010, one in 2012, one in 2014, two checks being completed in 2015, and the final check being completed in June 2016. In the remaining five properties, no certification of an electrical safety check was provided. We were informed by the Head of Housing Technical Services that these properties are currently in the programme as part of a rapid testing programme.</p> <p>If electrical safety checks are not undertaken within agreed timescales, there is significant risk that tenants may come to harm or injury in the event of an electrical fault.</p> <p>Discussions with the Head of Housing Technical Services outlined that the Council aim to achieve 100 per cent electrical safety compliance by March 2022.</p>				
Management Action 3	The Council will continue with their rapid electrical testing programme to ensure all properties have received an electrical safety check within agreed timescales.	<table border="0"> <tr> <td data-bbox="1142 917 1635 981">Responsible Owner: Head of Housing Technical Services</td> <td data-bbox="1635 917 1859 981">Date: 31 March 2022</td> <td data-bbox="1859 917 1991 981">Priority: High</td> </tr> </table>	Responsible Owner: Head of Housing Technical Services	Date: 31 March 2022	Priority: High
Responsible Owner: Head of Housing Technical Services	Date: 31 March 2022	Priority: High			

Objective: A compliance audit to confirm policies and procedures are being consistently, effectively and efficiently applied: ensuring that all statutory responsibilities are met.

Control	<p><u>Partially Missing Control</u></p> <p>Appropriate records are held regarding the status of each property in the housing stock to ensure all checks required have been identified.</p> <p>Processes are in place to identify all properties due for safety checks and works are adequately arranged through an appropriately qualified and experienced contractor or similar</p> <p>The last safety check and next safety check date are clearly identified within Propeller for each property and can be used to identify those properties requiring checks</p>	<p>Assessment:</p> <p>Design x</p> <p>Compliance -</p>	
Findings / Implications	<p>The Council launched their new compliance management system, Propeller, in July 2021 and are currently in a transitional period for ensuring that all the data uploaded on Propeller is correct. Propeller holds the capacity to show when the last safety check was completed and when the next safety check is due. Propeller also identifies properties due for a safety check within the next two months and makes them visible within an exclusive dashboard, so that appropriate arrangements can be made to get the work booked in.</p> <p>Due to the transitional period the Council are in with their data, for our selected properties for compliance testing we were unable to test back to Propeller to ensure that the dates held matched that of the safety certifications.</p> <p>Discussions with the Head of Housing Technical Services outlined that currently the Council are performing manual checks from legacy spreadsheets to ensure safety checks are being scheduled and completed as appropriate.</p> <p>If accurate records regarding the status of properties are not held so that the last and next safety checks can be easily identified, there is a risk that properties may not be scheduled for a safety check within the required timeframes.</p>		
Management Action 4	<p>The Council will continue to perform reconciliations between legacy systems and Propeller to ensure all data is correct and that the correct records for previous and future safety check dates are accurately displayed in Propeller.</p>	<p>Responsible Owner: Head of Housing Technical Services</p>	<p>Date: 31 December 2021</p> <p>Priority: Medium</p>

Objective: A compliance audit to confirm policies and procedures are being consistently, effectively and efficiently applied: ensuring that all statutory responsibilities are met.

Control	Where any remedial actions have been identified as part of a safety check, these are recorded and followed up by the Council to ensure they are completed.	Assessment:		
		Design	✓	
		Compliance	×	
Findings / Implications	<p>Propeller holds the capacity to record and report on any remedial actions raised as part of a safety check and creates a visual dashboard that illustrates the compliance the Council has achieved for housing compliance checks. As the Council are currently in a transitional period with their data, the Head of Housing Technical Services outlined that the upload and monitoring of remedial actions on Propeller is ongoing work. A spreadsheet is maintained for all fire risk assessment actions, pulled directly from Propeller, and updates on the status of remedial actions is provided at fortnightly meetings with the regulator.</p> <p>If remedial works are not correctly recorded in Propeller, there is a risk that they may not be monitored and implemented as required.</p>			
Management Action 5	<p>Further work will be undertaken by the Council to ensure that all the data recorded on Propeller is up to date and accurate to allow for all compliance checks to be monitored.</p> <p>Once all data is correctly reflected in Propeller remedial actions will be tracked and implemented via Propeller.</p>	Responsible Owner:	Date:	Priority:
		Head of Housing Technical Services	31 December 2021	Medium

Follow Up of Previous Actions Raised

Original management action / priority	Performance management reports will be produced through the Propeller system and reviewed each month by the Repairs Manager, Improvements Manager and the Assistant Director of Housing for gas, electrical, fire safety, legionella and asbestos. High	Assessment:	
		Design	✓
		Compliance	×
Audit finding / status	<p>The Propeller system went live in July 2021 and the Council are still in a transitional period of ensuring that all data is correctly reflected and up to date in Propeller from the legacy systems they have been using. Propeller has the capacity to produce performance management reports; however, as the Council are currently in a transitional period of ensuring their data is correct, performance management reports are currently not being produced via Propeller. However, thorough reporting on compliance is currently being undertaken by the Council. Once the Council have performed further reconciliations to ensure their data in Propeller is correct, performance management reports can start to be produced.</p> <p>The management action is ongoing.</p>		

Management Action 6	Performance management reports will be produced through the Propeller system and reviewed each month by the Repairs Manager, Improvements Manager and the Assistant Director of Housing for gas, electrical, fire safety, legionella and asbestos.	Responsible Owner: Head of Housing Technical Services	Date: 31 December 2021	Priority: Medium
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EXECUTIVE SUMMARY - CONTINUOUS ASSURANCE VISIT TWO

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 assignment 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.

Why we completed this audit

A programme of Continuous Assurance of key controls is being undertaken as part of the approved Internal Audit Plan for 2021/22. This report covers the second cycle of testing in the financial year.

As part of the Internal Audit Plan, we have agreed to visit several key areas over the financial year to provide a high-level assurance that key controls are in place and operating effectively in these areas.

These controls are considered as non-negotiable areas of compliance, that management require assurance on throughout the year on their functionality and effectiveness.

Findings and agreed actions are included within this report where we identified areas of non-compliance in nine out of the 10 controls tested. No issues were identified in relation to our testing of the timeliness of servicing Council vehicles.

2. FINDINGS AND ACTION PLAN

Area	Finding summary	Risk Context	Actions for Management	Action Owner	Target Date
Land Searches	<p>We were able to evidence a Search Volume report which documented all land searches undertaken at the Council between 1 June 2021 and 31 August 2021. This report evidenced that a total of 375 searches had been issued within the period. The average turnaround time was 18 working days, which had reduced from an average of 27 working days as per our last Continuous Assurance Audit; and the longest time taken was 32 working days. The Council website states that they currently endeavour to complete a search within an average of 22 working days.</p> <p>However, we were unable to identify a Policy that detailed the process and internal timescale requirement of 22 working days for conducting land searches. This had been highlighted as a finding on the previous Continuous Assurance Audit but has not been implemented. This presents a risk that team members, particularly new starters, may not follow the correct procedures for conducting land searches.</p> <p>It should also be noted that the government target for returning local searches is a maximum of 10 working days.</p>	Low	Management will implement a Policy or internal guidance document that details the process and timescale requirements for conducting land searches.	Head of Governance	31 October 2021

Area	Finding summary	Risk Context	Actions for Management	Action Owner	Target Date
Planning Applications	<p>We were able to evidence the Planning Process Performance report detailing planning applications processed from Q1 2020/21 - Q4 2020/21. The report evidenced that 1,101 planning applications had been processed during this time, and of this:</p> <ul style="list-style-type: none"> • 77.14% of major applications had been determined in time, with the national target being 50%; • 70.70% of minor applications had been determined in time, with the national target being 65%, and; • 85.88% of other applications had been determined in time, with the national target being 80%. <p>However, the report data is not currently being validated by the Council, as management of the Planning team has changed since our last audit, and within the performance area of the Council there has been a focus on corporate level indicators instead. This presents a risk that reported performance times may be inaccurate.</p>	Low	Management will consider if the reinstatement of planning performance reporting data is required to be validated to ensure accurate reporting figures.	Assistant Director of Planning	31 October 2021

Area	Finding summary	Risk Context	Actions for Management	Action Owner	Target Date
Purchase Orders and Invoicing	<p>For a sample of 10 paid invoices for the period 1 June 2021 to 27 August 2021:</p> <ul style="list-style-type: none"> In all instances there was a corresponding purchase order raised in line with delegated authorities; In all instances the purchase order was dated prior to the date the goods were received, and prior to the invoice date; and In all instances the invoice reflected what was received. <p>However, in one instance there was no amount detailed on the purchase order. We were advised by the Finance Manager that this was because a zero-purchase order (PO) is raised for these particular orders to ensure the supplier has a PO number. Once this is returned, the team check the price and amend the PO to the correct amount, and the amount is re authorised. We were also advised that this process is followed when the team are unsure of the amount or want to check the amount given by the supplier; but we were unable to find any documented, signed off processes to detail this. This presents a risk that the teams may not follow the correct processes for purchasing goods and services.</p> <p>For an additional sample of 10 purchase orders raised for the period 1 June 2021 to 27 August 2021:</p> <ul style="list-style-type: none"> In all instances the purchase order was raised in line with delegated authorities and dated prior to 	<p>Low</p>	<p>Management will document the process for situations where zero purchase orders are raised and ensure this is signed off and approved via appropriate personnel.</p> <p>However, there are occasions when a zero purchase order is necessary, and an exception listing will be provided to confirm when this is appropriate</p> <p>Management will investigate where an invoice had been received prior to the PO date; and if necessary, implement a control to ensure that purchase orders are raised prior to invoices in all situations.</p>	<p>Head of Finance</p>	<p>31 October 2021</p>

Area	Finding summary	Risk Context	Actions for Management	Action Owner	Target Date
	<p>the date the goods were received, where applicable; and</p> <ul style="list-style-type: none"> In all instances the invoice reflected what was received. <p>However, in one instance, the invoice had been received prior to the purchase order raised date, which may provide a risk that purchases are made without appropriate approval.</p>				
Supplier Bank Accounts	<p>For a sample of 10 supplier bank account amendments for the period 1 June 2021 to 31 August 2021, we conducted sample testing to evidence that these amendments been checked with the supplier and validated; and reviewed and authorised by the Senior Accountant.</p> <p>The team have recently updated their process for bank account amendments. Amendments are recorded within a New Supplier Requests spreadsheet which logs the member of staff who inputs the change within the Council's eFinancial system, and the member of staff who checks and verifies these details. The Senior Accountant will then review to ensure that everything has been checked and signed off by another member of the team.</p> <p>In eight instances, we were unable to evidence that the requested bank amendments had been checked with the supplier and validated; and in all instances, we were unable to evidence that these had been reviewed by the Senior Accountant</p>	High	<p>Management will amend the New Supplier Requests spreadsheet to include an additional column to evidence that amendments have been reviewed and approved by the Senior Accountant and independently checked with the supplier.</p> <p><i>Management Comment</i> <i>Management does not concur that this represents a high risk as 80% of the bank changes identified had been checked by the Senior Accountant for accuracy</i></p>	Head of Finance	31 October 2021

Area	Finding summary	Risk Context	Actions for Management	Action Owner	Target Date
Housing Repairs	<p>From a sample of 10 repairs completed between 1 June 2021 to 31 August 2021, we were able to evidence that in nine instances repairs had been appropriately assigned and completed within the provided KPI's, and source documentation or system evidence was available to confirm this. The Council's repair priorities are as follows</p> <ul style="list-style-type: none"> • Emergency – 2 Hours; • Urgent – 1 Working Day; • Routine – 3 Working Days; • Routine – 7 Days; and • Planned Repair – 60 Days. <p>However, in one instance a job had been raised on 30 June 2021 – which should have been completed within seven days - but is not scheduled for completion until 21 September 2021; and we also noted two instances where repair timeframes ran over the stated internal KPI of seven days, with the maximum delay being five days.</p> <p>We also noted that in one instance, whilst a visit to identify the issue had been completed within the specified timeframes, further work was required to rectify this and due to resource restraints at the Council, we were unable to identify if the follow up work had been scheduled.</p> <p>The timeframes provided have not been documented by the Council, via internal documentation such as a Repairs Policy, which risks team members incorrectly following specified processes, potentially leading to tenant dissatisfaction.</p>	Low	<p>Management will investigate why the repair job raised in June 2021 is still outstanding, and why two repairs took longer than the specified timeframe; and where required, implement follow up action.</p> <p>Management will formally document repair timeframes via internal documentation such as a Repairs Policy.</p>	Head of Housing Technical Services	31 October 2021
Starters	We sampled 10 new starters and were able to evidence that in eight instances each vacancy had gained approval to recruit. We were also able to evidence via source documentation that satisfactory references had been	Low	Management will ensure all vacancy approval evidence is retained.	Senior HR Officer	31 October 2021

Area	Finding summary	Risk Context	Actions for Management	Action Owner	Target Date
	<p>obtained where applicable and driving licence and right to work in the UK checks had also been undertaken.</p> <p>However, in two instances we were unable to fully evidence that the vacancy had the appropriate authority to recruit. We were advised by HR that one vacancy had been approved as part of a restructure, but we were unable to evidence this approval; and in the second instance, the job title was changed due to no applicants for the initial vacancy, though again, we were unable to obtain formal documentation to evidence this. If sufficient documentation is not retained, there is a risk that the Council will have incomplete audit trails, to evidence compliance against internal recruitment requirements.</p>				

Area	Finding summary	Risk Context	Actions for Management	Action Owner	Target Date
IT Access Controls	From a sample of 10 new starters since 1 June 2021, we were able to obtain confirmation from the HR Manager to	Medium	Management will implement a process to ensure that once an employee leaves the Council, the ICT team are notified within a timely manner to ensure system access is revoked.	Senior HR Officer	31 October 2021

Area	Finding summary	Risk Context	Actions for Management	Action Owner	Target Date
	<p>evidence that only staff who required the appropriate system access relevant to their roles, were granted this.</p> <p>We were also able to obtain evidence from a sample of 10 leavers, to confirm that all system access rights had been removed for the following applications:</p> <ul style="list-style-type: none"> • Northgate OHMS – Housing Management Software; • Northgate Revenues & Benefits – Council Tax and Benefits Software; • Civica W2 CRM – Customer Services Software and Documents Management; • AD Account – Microsoft Active Directory (Used to login to the Councils Domain); and • Cedar e-Finance. <p>For seven of nine leavers sampled, it was noted that they were not removed from the Councils Microsoft Active Directory system on their actual leave date.</p> <p>Delays ranged from three to 49 days, due to the ICT team not being notified of the employee leaving the Council.</p> <p>For the remaining leaver, it was confirmed that no system access had been granted as it was not required for their role.</p> <p>This presents a risk that employees may still be able to gain access to Council systems and sensitive data, if access is not removed within a timely manner.</p>				
Complaints	The Council's Compliments, Comments & Complaints guide states that customer complaints will be acknowledged	Medium	Management will investigate the two instances where complaints were not responded to in full or responded to within the correct timeframes; and	Deputy Data Protection Officer	31 October 2021

Area	Finding summary	Risk Context	Actions for Management	Action Owner	Target Date
	<p>within three working days, and a full response provided within 15 working days.</p> <p>From a sample of 10 customer complaints, we were able to evidence that:</p> <ul style="list-style-type: none"> • In all instances, complaints had been logged within the system, investigated, and where upheld, remediation action was provided; • In nine instances, complaints had been acknowledged within three working days However, in one instance, acknowledgment took 23 working days; and • In eight instances, complaints had been responded to in full, within 15 working days. In one instance we were unable to evidence that the customers complaint had been responded to in full; and in one instance the customers complaint was not acknowledged or responded to, until a further chase up complaint had been made from the customer. <p>This provides a risk that customer complaints are not being responded to within the advised timeframes, which may potentially cause further work for the Council, customer dissatisfaction and loss of reputation.</p> <p>As part of a finding and action raised in the previous Continuous Assurance Audit, the policy document detailing the complaints process was dated September 2013, however the Complaints Manager is currently in the process of updating this, for approval in October 2021; and the Complaints Manager was able to confirm that this is still on track.</p>		<p>where necessary, implement a control to prevent this happening in the future.</p> <p>Management will ensure the complaint that had not yet been responded to, is revisited and if applicable, a response is provided.</p>		

Area	Finding summary	Risk Context	Actions for Management	Action Owner	Target Date
Issue of Licences	From a sample of 10 licenses issued from 1 April 2021, it was confirmed that in four of the 10 instances, issuance of the licence was outside the Councils 28 day specified timeframe. Delays ranged between 34 and 49 days however it is acknowledged that due to consultation periods, or other mandatory checks, that it is not always possible to issue the licences within 28 days.	Low	<p>Management to consider amending the wording of relevant licensing timescales or policies to include: "Where possible licenses will be issued within 28 days but there will be occasions, due to statutory consultation or other mandatory checks, that this may take longer"</p> <p><i>Management Comment: The four cases where licences were issued outside the 28 day timeframe were all subject to statutory consultation periods.</i></p>	Head of Public Protection	31 October 2021