



SOUTH KESTEVEN DISTRICT COUNCIL

Follow Up 3

Internal audit report 12.21/22

REVISED FINAL

10 December 2021

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1. EXECUTIVE SUMMARY

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

Background

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

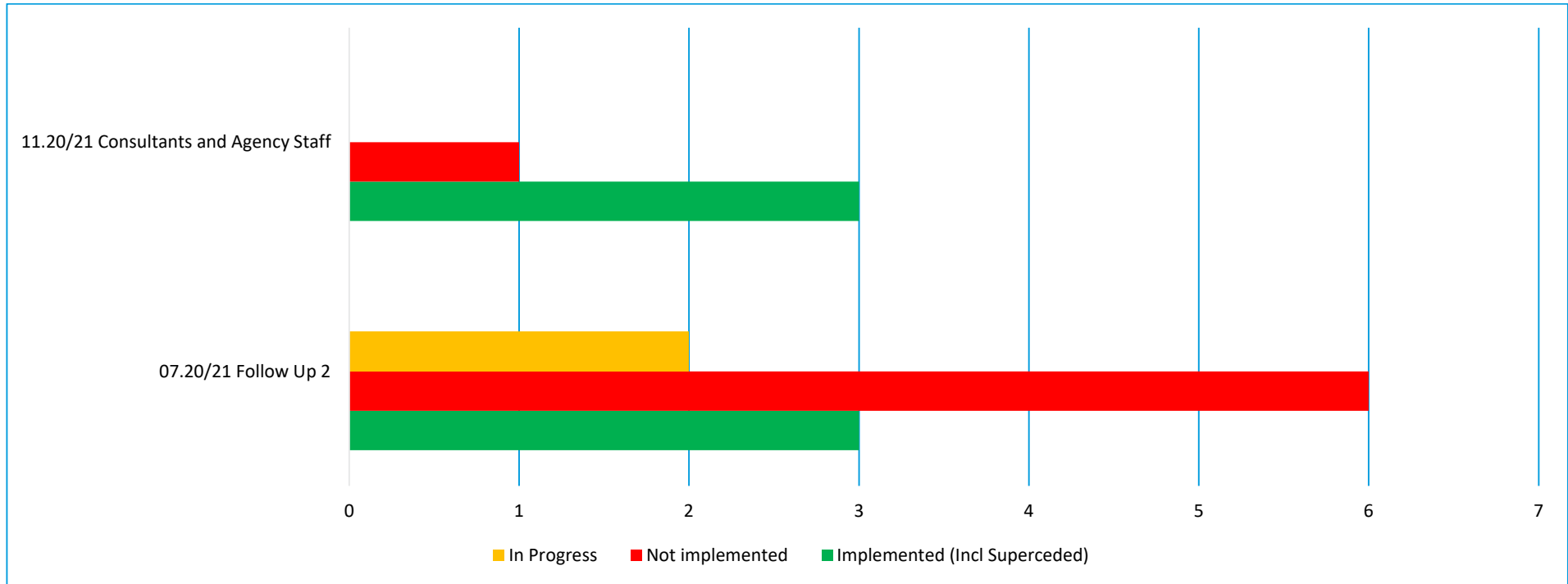
- 07.20/21 Follow Up 2; and
- 11.20/21 Consultants and Agency Staff.

The 20 management actions considered in this review comprised of 11 medium and nine low categorised priority actions. Concentrating on the actions classified as medium, the focus of this review was to provide assurance that all actions previously agreed have been satisfactorily implemented. For actions categorised as low we have accepted management's assurance regarding their implementation.

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 **little progress** in implementing agreed management actions. Our testing has found that six actions have been fully implemented, two actions have been partially implemented and seven actions have not been implemented. Five of the actions followed up have not been reflected within our conclusion as evidence was not provided by the Action Owners.

The following graph highlights the progress made on the actions that have been followed up. Five of the initial 20 actions followed up had no evidence provided by Action Owners and therefore have been excluded from our graph below.



Further details of progress made are provided in this report. It is important to note that until a management action is fully implemented, the Council is still exposed to risk.

Progress on actions

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

Implementation status by review	Number of actions agreed	Status of management actions				Confirmation as completed or no longer necessary (1)+(4)
		Impl. (1)	Impl. ongoing (2)	Not impl. (3)	Superseded (4)	
07.20/21 Follow Up 2	11	3	2	6	0	3
11.20/21 Consultants and Agency Staff	4	3	0	1	0	3
Total	15	6 (40%)	2 (13%)	7 (47%)	0 (0%)	6 (40%)

*Five of the initial 20 actions followed up had no evidence provided by Action Owners and therefore have been excluded from our table.

2 FINDINGS AND MANAGEMENT ACTIONS

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

07.20/21 Follow Up 2

Original management action / priority	A Communications Strategy will be developed, and this will either include Social Media or a separate document will be developed. Management Update: Action implementation ongoing. Medium
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Audit finding / status	It has been confirmed by the Deputy Chief Executive that the appointment of the position of Head of Communication was April 2021 but subsequently the successful applicant left in June 2021. The recruitment for the position is being actively pursued at the time of the audit being undertaken. Once this position has been filled a Communication Strategy will be implemented and rolled out. 3: The action has not been implemented
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Management Action 1	A Communications Strategy will be developed, and this will either include Social Media or a separate document will be developed.	Responsible Owner: Deputy Chief Executive	Date: 30 June 2022	Priority: Medium
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07.20/21 Follow Up 2

Original management action / priority A Social Media Plan will be created that supports our Communications Strategy.
Management Update: Action implementation ongoing.
Low

Audit finding / status It has been confirmed by the Deputy Chief Executive that the appointment of the position of Head of Communication was April 2021 but subsequently the successful applicant left in June 2021. The recruitment for the position is being actively pursued at the time of the audit being undertaken.
Once this position has been filled a Communication Strategy will be implemented and rolled out.
3: The action has not been implemented.

Management Action 2	A Social Media Plan will be created that supports the Communications Strategy.	Responsible Owner: Deputy Chief Executive	Date: 30 June 2022	Priority: Low
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07.20/21 Follow Up 2

Original management action / priority A Voids Policy will be produced which details the Council's current void management process.
Medium

Audit finding / status It has been confirmed by the Director of Housing and Property that a Voids Policy has been drafted and is currently going through the Democratic process with an expected sign off by Cabinet in March 2022.
2: The action has been partly though not yet fully implemented.

Management Action 3	A Voids Policy will be approved by Cabinet which details the Council's current void management process.	Responsible Owner: Head of Housing Technical Services	Date: 31 March 2022	Priority: Medium
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07.20/21 Follow Up 2

Original management action / priority The procedure note in place for the Voids Department will be reviewed and updated to reflect current working practices. A set review date will also be documented.
Low

Audit finding / status It has been confirmed by the Director of Housing and Property that procedure notes have been fully implemented on the 01 July 2021 this is supported by a detailed process map.
We have received and reviewed the New Proposed Void Work Process; the document is a detailed process map which clearly outlines each step undertaken during the voids process to reflect the current practices of the Council. additionally, it is noted that the document dated and/ or version controlled and there is no clear note of a set review date for the document.
2: The action has been partly though not yet fully implemented.

Management Action 4	Ensure that the New Proposed Void Work Process document is dated and/ or version controlled, and a set review date is documented.	Responsible Owner: Head of Housing Technical Services	Date: 31 March 2022	Priority: Low
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07.20/21 Follow Up 2

Original management action / priority Training will be provided to staff members within the Void Department regarding the recovery of re-charges identified from Void Inspections.
Medium

Audit finding / status It has been confirmed by the Director of Housing and Property that there is currently no progress against this action and the full action remains outstanding in its entirety. Therefore, the original action has been re-iterated.
3: The action has not been implemented.

Management Action 5	Training will be provided to staff members within the Void Department regarding the recovery of re-charges identified from Void Inspections.	Responsible Owner: Head of Housing Technical Services	Date: 31 March 2022	Priority: Medium
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07.20/21 Follow Up 2

Original management action / priority The Re-Chargeable Repairs Policy will be reviewed and updated to ensure it is reflective of current working practices. Additionally, a set review date and version control will be added to the document.
Low

Audit finding / status It has been confirmed by the Director of Housing and Property that there is currently no progress against this action and the full action remains outstanding in its entirety. Therefore, the original action has been re-iterated.
3: The action has not been implemented.

Management Action 6	The Re-Chargeable Repairs Policy will be reviewed and updated to ensure it is reflective of current working practices. Additionally, a set review date and version control will be added to the document.	Responsible Owner: Head of Housing Technical Services	Date: 31 March 2022	Priority: Low
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07.20/21 Follow Up 2

Original management action / priority A review will be undertaken of the recovery process for void re-charges.
Medium

Audit finding / status It has been confirmed by the Director of Housing and Property that there is currently no progress against this action and the full action remains outstanding in its entirety. Therefore, the original action has been re-iterated.
3: The action has not been implemented.

Management Action 7	A review will be undertaken of the recovery process for void re-charges.	Responsible Owner: Head of Housing Technical Services	Date: 31 March 2022	Priority: Medium
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07.20/21 Follow Up 2

Original management action / priority	The current KPI's in place for the void management process will be reviewed and revised to ensure they are reflective of current operational practices. Medium
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Audit finding / status	It has been confirmed by the Director of Housing and Property that a new contract has been procured, and the contractor commenced the contract from April 2021 with a new set of KPIs produced and put in place. We have not received the supporting evidence to validate the action therefore the original action has been re-iterated 3: The action has not been implemented.
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Management Action 8	The current KPI's in place for the void management process will be reviewed and revised to ensure they are reflective of current operational practices.	Responsible Owner: Head of Housing Technical Services	Date: 31 March 2022	Priority: Medium
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11.20/21 Consultants and Agency Staff

Original management action / priority	Consultancy Plus monitoring reports will be produced, reviewed, and reported to the Corporate Management Team. Medium
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Audit finding / status	It has been confirmed by the Deputy Chief Executive that there has currently been no movement regarding this action and therefore the action is still in place to be worked upon. Therefore, the original action has been re-iterated. 3: The action has not been implemented.
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Management Action 9	Consultancy Plus monitoring reports will be produced, reviewed, and reported to the Corporate Management Team.	Responsible Owner: Deputy Chief Executive	Date: 31 March 2022	Priority: Medium
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APPENDIX A: DEFINITIONS FOR PROGRESS MADE

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

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

APPENDIX B: ACTIONS COMPLETED OR SUPERSEDED

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

Assignment title	Management actions
07.20/21 Follow Up 2	<p>Implemented The Governance and Risk Officer will discuss further training needs at the next Risk Management Group. Management Update: Risk Management Group will be scheduled for April</p> <p>Priority: Medium</p>
07.20/21 Follow Up 2	<p>Implemented The Head of Finance will remind Heads of Service, via an email, of the importance of attending Risk Management Group. Management Update: A reminder will be sent out ahead of the next Risk Management Group</p> <p>Priority: Low</p>
01.20/21 Follow Up 2	<p>Implemented Going forward, the Major Void Refurbishments budget will be re-evaluated and closely monitored to ensure actual and committed spend against the budget are in line with set forecasts.</p> <p>Priority: Low</p>
11.20/21 Consultants and Agency Staff	<p>Implemented All Heads of Service will be reminded to ensure that:</p> <ul style="list-style-type: none">a) All the procurement and contractual documentation is maintainedb) Due diligence checks are undertaken and evidence to confirm the checks are maintained on file.c) Monitoring of consultants against milestones and performance measures and deadlines is undertaken to ensure value of money is being achieved and an audit trail is maintained on file. <p>Priority: Medium</p>

Assignment title	Management actions
11.20/21 Consultants and Agency Staff	<p>Implemented</p> <p>All the relevant staff will be reminded to ensure that contracts/ agreements:</p> <ul style="list-style-type: none"> - Are in place for the chosen consultant. - The contracts/agreements are signed by both parties. - The contracts/agreements are maintained in a folder in a central location. <p>Priority: Medium</p>
11.20/21 Consultants and Agency Staff	<p>Implemented</p> <p>A Recruitment Framework will be put into place on the intranet to include up to date guidance and procedures on both consultants and agency workers.</p> <p>Priority: Low</p>

APPENDIX C: ACTIONS NO INFORMATION WAS PROVIDED FOR

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

Assignment title	Management actions
07.20/21 Follow Up 2	A log of all training that staff attend, including additional and internal courses, will be maintained by management. Priority: Low
07.20/21 Follow Up 2	Management will remind staff, via email, to upload all application documentation, including the extension of time notice, to the Planning system. Priority: Low
11.20/21 Consultants and Agency Staff	All the relevant Managers will be reminded to ensure that: a) The Agency Worker - request/ extension form is completed and is subject to authorisation for the recruitment of agency workers. b) The Agency Worker – request/ extension form is completed for the extension of agency staff contracts. c) The extension to the contract is subject to approval from Finance and the relevant Director. d) A copy of the Agency Worker - request/ extension form is maintained on file in a central location. Priority: Medium
11.20/21 Consultants and Agency Staff	a) All Heads of Service will be reminded to ensure that: - Monitoring is undertaken to ensure that value for money is being obtained and the benefits outweigh the costs of using agency staff. - The performance of the agency staff is monitored. b) Evidence to confirm the monitoring is maintained on file. Priority: Medium
11.20/21 Consultants and Agency Staff	Reports on the use of agency workers will be reported to the Corporate Management Team every six months. Priority: Low

APPENDIX D: SCOPE

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

Scope of the review

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

Objective of the risk under review

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

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

The following areas will be considered as part of the review:

As part of the approved internal audit periodic plan we will review the 20 (11 'Medium' and nine 'Low') management actions agreed in the following Internal Audit reviews:

- 07.20/21 Follow Up 2; and
- 11.20/21 Consultants and Agency Staff.

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.

The following limitations apply to the scope of our work:

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

Debrief held	29 October 2021
Draft report issued	5 November 2021
Responses received	6 December 2021
Final report issued	6 December 2021
Revised final report issued	10 December 2021

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