



SOUTH KESTEVEN DISTRICT COUNCIL

Follow Up 1

Internal audit report 1.23/24

FINAL

12 January 2024

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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 complete the work in line with the agreed scope.

Background

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

- 2022/23-02 – Key Control Testing;
- 2022/23-05 – Health and Safety;
- 2022/23-07 – Housing Void Management;
- 2022/23-10 – Cyber Security; and
- 2022/23-04 – Risk Management.

The 12 management actions followed up as part of this review included 11 medium, and one high priority.

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 the Council has demonstrated **reasonable progress** in implementing agreed management actions.

We were provided with satisfactory evidence in respect of five medium priority actions and one high priority action recorded as complete by the respective action owner and therefore we confirmed that these actions had been fully implemented, with one further medium action being superseded. For two medium priority actions, we have categorised them as partly though not yet fully implemented. For the remaining three medium priority actions, we have categorised them as not implemented. Full details of the outstanding management actions can be found under section two of this report.

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			
		Implemented	Implementation ongoing	Not implemented	Superseded
2022/23-02 – Key Control Testing	2	2	0	0	0
2022/23-05 – Health and Safety	3	1	1	0	1
2022/23-07 – Housing Void Management	4	0	1	3	0
2022/23-10 – Cyber Security	2	2	0	0	0
2022/23-04 – Risk Management	1	1	0	0	0
Total:	12	6 (50%)	2 (17%)	3 (25%)	1 (8%)

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.

Assignment: 2022/23-05 - Health and Safety

Original management action / priority Service areas will complete and retain a risk assessment log and provide to Corporate Health and Safety for oversight.
Priority: **Medium**

Audit finding / status Through discussion with the Health, Safety and Emergency Planning Manager, we noted that each department has a risk assessment log in place, which recorded risk assessments conducted. We also noted that the Health, Safety and Emergency Planning Manager maintains a central log which details a schedule of health and safety risk assessments conducted for each department. We obtained the central log and through review we confirmed that it included the following:

- Department name (13 departments);
- Responsible person;
- Location of documents; and
- Dates of receiving risk assessments.

In addition, we also noted that each department has a Service Manager who regularly reviews the risk assessment log. Furthermore, both the Health, Safety and Emergency Planning Manager and the General Compliance Officer conduct risk assessment compliance reviews for the departmental log. We selected five out of 13 departments, and obtained the risk assessment logs and compliance review checklists.

Through review of the registers and checklist, we confirmed the following:

- In four out of five instances, the risk assessment log does not specify last review dates, next review dates or review frequency, and there is no further details or notes of assessments conducted.
- In one out of five instances, we found that, for some items in the risk assessment log, the next review dates have already expired.

Assignment: 2022/23-05 - Health and Safety

Without a detailed risk assessment log maintained, there is a risk that it might cause confusion or error when conducting assessment due to lack of information. Without updating risk assessment log promptly with the correct review dates, the risks might not be assessed and managed in a timely manner.

2 - The action has been partly though not yet fully implemented.

Management Action 1	The Service Manager of each department will review and consider updating the risk assessment log in a timely manner, to ensure it recorded necessary details of risk assessments, including last and next review dates, review frequency and persons who conduct the assessment.	Responsible Owner: Health, Safety and Emergency Planning Manager	Date: 31 March 2024	Priority: Medium
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Assignment: 2022/23-07 - Housing Void Management

Original management action / priority	Weekly exception reports to identify any data inaccuracies to be introduced until the implementation of the new IHMS system in May 2023. Priority: Medium
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Audit finding / status	We did not receive any exception reports to confirm that there is a control in place for identifying data inaccuracies. Through discussion with the Head of Housing and Technical Services, we noted that the target time for IHMS implementation has been delayed to January 2024. The implementation date therefore for this action is for once the rollout has been completed. 3 - The action has not been implemented.
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Management Action 2	Weekly exception reports to identify any data inaccuracies to be introduced until the implementation of the new IHMS system.	Responsible Owner: Head of Housing and Technical Services	Date: 31 March 2024	Priority: Medium
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Assignment: 2022/23-07 - Housing Void Management

Original management action / priority	Utilise the post inspection outcome report from new IHMS post launch to understand the level of additional work required post inspection. Priority: Medium			
Audit finding / status	We did not receive any post inspection reports to confirm that there is a control in place. Through discussion with the Head of Housing and Technical Services, we noted that the target time for IHMS implementation has been delayed to January 2024. The implementation date therefore for this action is for once the rollout has been completed. 3 - The action has not been implemented.			
Management Action 3	Utilise the post inspection outcome report from new IHMS post launch to understand the level of additional work required post inspection.	Responsible Owner: Head of Housing and Technical Services	Date: 31 March 2024	Priority: Medium

Assignment: 2022/23-07 - Housing Void Management

Original management action / priority	Ensure this report is monitored by the Voids Contract Manager to inform contract meetings and drive performance improvement. Priority: Medium			
Audit finding / status	We did not receive any post inspection reports to confirm that there is a control in place for driving performance improvement. Through discussion with the Head of Housing and Technical Services, we noted that the target time for IHMS implementation has been delayed to January 2024. The implementation date therefore for this action is for once the rollout has been completed. 3 - The action has not been implemented.			
Management Action 4	Ensure this report is monitored by the Voids Contract Manager to inform contract meetings and drive performance improvement.	Responsible Owner: Head of Housing and Technical Services	Date: 31 March 2024	Priority: Medium

Assignment: 2022/23-07 - Housing Void Management

Original management action / priority Review current performance measures and data integrity, ensuring that the Council is measuring the right things to help oversight and monitoring of successful achievement of its Corporate Plan and its void policy. We suggest number of voids and £ should be included. The Council should consider benchmarking its void performance with other Councils – perhaps visiting high performing Councils (with a turnaround of <60) to learn from best practice. This should form part of the Voids performance update. Commentary on the Corporate Performance update should be action focussed where improvement required, such as Red or Amber rating.

Priority: **Medium**

Audit finding / status Through discussion with the Head of Housing and Technical Services, we noted that the action is still in progress. We noted that the void performance has been discussed as a part of the overall performance data monitoring at weekly void meetings. We therefore obtained the void meeting notes dated 23 November 2023, and through review we confirmed that it recorded the number of lets, number of voids inspected, number of new voids and an inspection log. However we noted that the Council had not benchmarked its void performance with other Councils. We also noted that void performance would form a part of the revised corporate Key Performance Indicator (KPI) reporting, which would be implemented in April 2024. Therefore we confirmed that the action has been partly though not yet fully implemented.
2 - The action has been partly though not yet fully implemented.

Management Action 5		Responsible Owner:	Date:	Priority:
The Council should consider benchmarking its void performance with other Councils – perhaps visiting high performing Councils (with a turnaround of <60) to learn from best practice. This should form part of the Voids performance update. Commentary on the Corporate Performance update should be action focussed where improvement required, such as Red or Amber rating.		Head of Housing and Technical Services	30 June 2024	Low

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
2022/23-02 - Key Control Testing	Status: Implemented Review the commentary reported, so although condensed, provides sufficient accurate detail. Monitoring reports will be updated with the commentary from the previous quarter's report to committee and management will be required to build on this for future month's to reduce any version differences. Priority: Medium
	Status: Implemented Processes to be reviewed and updated to ensure undisputed invoices are paid within 30 day payment terms. Priority: Medium
2022/23-05 - Health and Safety	Status: Superseded The Health and Safety Champions role will be evaluated as suggested in 3.1 and added to the Policy once evaluated and extent of the roles potential evaluated within the group. Priority: Medium
	Status: Implemented The Health & Safety Working Group will initially be ambassadors raising the profile of health and safety at service level. The role will be evaluated after 6 months with any relevant training identified at that point. Priority: Medium
2022/23-10 - Cyber Security	Status: Implemented A plan is being created for removal or upgrade of unsupported servers. Priority: High
	Status: Implemented Change control procedures are being enabled on the Corporate IT Support software system to ensure change management is carried out and documented. Priority: Medium
2022/23-04 - Risk Management	Status: Implemented Risk management e-learning will be implemented. Priority: Medium

APPENDIX C: SCOPE

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

Objective relevant to the scope of the review

Objective of the risk under review

To meet internal auditing standards and to provide management with on-going assurance regarding implementation of management actions / recommendations.

Scope of the review

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

We will follow up a sample of any actions due for implementation at the time of the audit review.

A defined list will be agreed with management.

The following limitations apply to the scope of our work:

- The follow up will only cover management actions agreed in the identified reports.
- 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.
- We will only perform sample testing for high and medium priority management actions.
- Where sample testing will be undertaken, our samples will be selected 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.

Debrief held 6 December 2023
Draft report issued 11 December 2023
Revised draft report issued 10 January 2024
Responses received 12 January 2024

Final report issued 12 January 2024

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