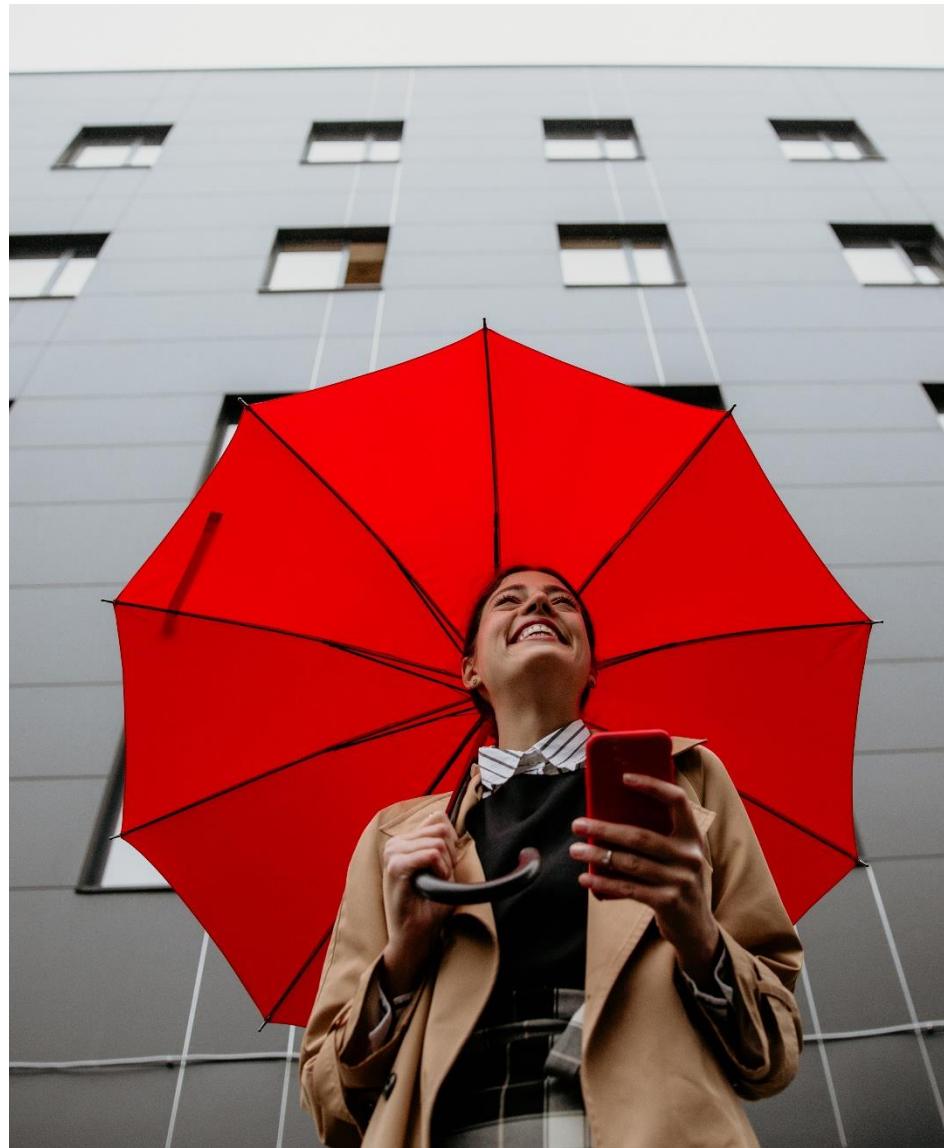


**INTERNAL AUDIT FOLLOW UP
OF RECOMMENDATIONS REPORT
SOUTH KESTEVEN DISTRICT COUNCIL
2024/2025**



CONTENTS

SUMMARY	2
RECOMMENDATIONS: COMPLETE.....	4
RECOMMENDATIONS: IN PROGRESS.....	8



SUMMARY

2023/24	Total Recs	H	M	To follow up	Complete		In progress		Overdue		Not Due	
	H	M	H	M	H	M	H	M	H	M	H	M
Responsive Repairs	2	-	2	2	-	1	-	1	-	-	-	-
Total	2	-	2	2	-	1	-	1	-	-	-	-

2024/25	Total Recs	H	M	To follow up	Complete		In progress		Overdue		Not Due	
	H	M	H	M	H	M	H	M	H	M	H	M
Social Housing Decarbonisation Fund	5	-	5	5	-	4	-	1	-	-	-	-
Homelessness	4	-	4	1	-	1	-	-	-	-	-	3
Income Generation	1	-	1	0	-	-	-	-	-	-	-	1
Business Continuity and Disaster Recovery	6	-	6	5	-	3	-	2	-	-	-	1
Council Tax and Business Rates	2	-	2	2	-	2	-	-	-	-	-	-
Total	18	-	18	13	-	10	-	3	-	-	-	5

SUMMARY

2023/24

Please find below a summary of the status of implementation of recommendations arising from reports issued in 2024/2025.

- ▶ Of the two recommendations last reported to committee on the Responsive Repairs review, one is now complete and the other in progress, where we obtained evidence of good progress being made to implement it.

2024/25

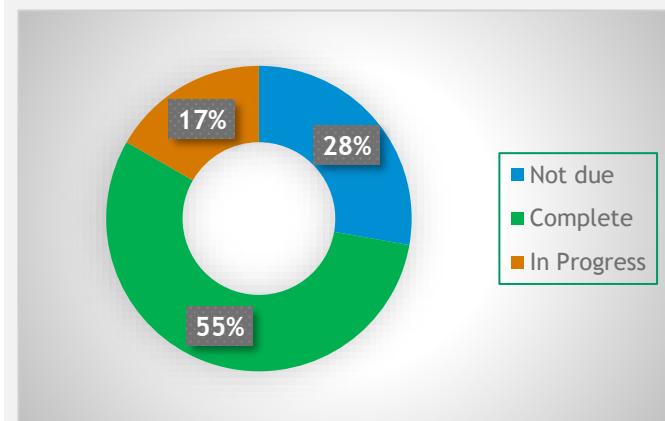
Please find below a summary of the status of implementation of recommendations arising from reports issued in 2024/2025.

- ▶ 10 medium recommendations have been completed from 2024/2025 reviews.
- ▶ Three medium recommendations for the Business Continuity & Disaster Recovery and Social Housing Decarbonisation Fund audits were in progress. We have discussed these with the Health and Safety and Compliance Manager and Head of Service (Technical Services) respectively and obtained evidence that progress has been made to implement these recommendations, but further work is needed for these to be recorded as complete. We will provide an update on these at the next Audit Committee.
- ▶ Five medium recommendations were not due for this Governance and Audit Committee. We will follow up on these recommendations as they fall due.
- ▶ Overall, there is a positive completion rate for recommendations, demonstrating improvements in internal controls.

REQUIRED GOVERNANCE & AUDIT COMMITTEE ACTION:

We ask the Governance and Audit Committee to note the progress against the recommendations.

2024 -2025 Cumulative implementation on reports with outstanding recommendations



RECOMMENDATIONS: COMPLETE

AUDIT	ACTIONS AGREED	PRIORITY LEVEL	MANAGER RESPONSIBLE	DUUE DATE	CURRENT PROGRESS
2023/24					
Responsive Repairs	The Council will investigate the finding that jobs closed in Northgate as part of the large-scale closedown are still open in DRS.	Medium 	Head of Service (Technical Services)	Complete	<p>Management Comments: Northgate is fully closed out now and all repairs have been moved to QL, where jobs are monitored monthly through KPI reporting (attached KPI sheet). Jobs allocated are also monitored in DRS to ensure that no jobs remain in DRS.</p> <p>Internal Audit Comments: We obtained and reviewed the KPI sheet as of Dec 2024, with measurement against target monitored by the Repairs Manager as the overall responsible owner. We confirmed that this is now completed and operational</p>
2024/25					
Social Housing Decarbonisation Fund	The Decarbonisation Project Manager should amend the Valuations Sheet to cross reference each installation to the invoice reference.	Medium 	Decarbonisation Project Manager	Complete	<p>Management Comments: A valuation process has been established where contractor-issued valuations are verified by the Quality Surveyor before an invoice is processed to ensure these matches.</p> <p>Internal Audit Comments: We obtained the updated valuation sheet as of November 2024 and evidence effective challenge of invoice by the Lead QS as of January 2025. We confirmed that this is now completed and operational.</p>

AUDIT	ACTIONS AGREED	PRIORITY LEVEL	MANAGER RESPONSIBLE	DUe DATE	CURRENT PROGRESS
	The Decarbonisation Project manager should implement standardised action log showing the agreed actions, owners, due dates, and status. This log should be reviewed and updated at each meeting to ensure accountability and timely completion of tasks.	Medium 	Decarbonisation Project Manager	Complete	<p>Management Comments: Formal action logs are now maintained within core group minutes and documented during monthly operational meetings with SPOC.</p> <p>Internal Audit Comments: We obtained and reviewed meeting minutes from October to December 2024, between the council and the SPOC, with detailed action log showing responsible officer, action and date to complete by. We confirmed that this is now completed.</p>
	The Decarbonisation Project Manager should retain an audit trail to show which invoice each installation relates to so they can obtain assurance that the invoice was not paid until the works have been inspected.	Medium 	Decarbonisation Project Manager	Complete	<p>Management Comments: A project tracker has been implemented by the Project Officer to record completions and certification documents which are verified before contractors can make payment applications.</p> <p>Internal Audit Comments: We obtained the project tracker spreadsheet showing invoice updated as of November 2024 and confirmed that this is now completed.</p>
	In accordance with the SDHF guidance, the decarbonisation Project Manager should implement a robust process identifying and documenting lessons learnt throughout the project lifecycle.	Medium 	Decarbonisation Project Manager	Complete	<p>Management Comments: Lessons learnt are now captured through regular updates to the Fraud Risk Assessment (FRA) documents and the standard risk assessment and are reviewed and updated monthly.</p> <p>Internal Audit Comments: We obtained and reviewed the updated FRA and confirmed this is now completed.</p>
Business Continuity and Disaster Recovery	The Council should ensure that the two outstanding BIAs are completed.	Medium 	Health and Safety and Compliance Manager	Complete	<p>Management Comments: We have now received the two outstanding BIAs.</p> <p>Internal Audit Comments: We confirmed that this is now completed.</p>

AUDIT	ACTIONS AGREED	PRIORITY LEVEL	MANAGER RESPONSIBLE	DUe DATE	CURRENT PROGRESS
	<p>The Council should develop a dedicated testing schedule which should be monitored by the business continuity steering group. This should prioritise testing for service areas that are identified as being critical (i.e. those services which the Council depends upon). The frequency of testing and the allocation of criticality should be reviewed and updated on a regular basis</p>	Medium 	Health and Safety and Compliance Manager	Complete	<p>Management Comments: Testing regime has been created and shared with the Business Continuity steering group for approval.</p> <p>Internal Audit Comments: We confirmed that this is now completed.</p>
	<p>Within the individual BCPs, management should ensure that any identified activities that depend on a third-party provider have an identified BCP. This should also specify whether the BCP has been tested.</p>	Medium 	Health and Safety and Compliance Manager	Complete	<p>Management Comments: Third party providers have been contacted by the relevant service areas and confirmation has been received that they have a BCP and that it has been tested.</p> <p>Internal Audit Comments: We confirmed that this is now completed.</p>
Homelessness	<p>The Head of Service, (Housing) and Safeguarding Lead should ensure that meeting related to the weekly reviewing of outstanding and existing cases is documented and any associated outcomes related to reviewed cases are included within the case management system.</p>	Medium 	Head of Service (Housing) and Safeguarding Lead	Complete	<p>Management Comments: Regular meetings on those in temporary accommodation placements are being conducted, with meeting minutes now documented and recorded.</p> <p>Internal Audit Comments: We confirmed from meeting minutes from November 2024 to January 2025, that there is ongoing review of existing and outstanding cases of applicants in temporary accommodation and this is now being documented.</p>

AUDIT	ACTIONS AGREED	PRIORITY LEVEL	MANAGER RESPONSIBLE	DUe DATE	CURRENT PROGRESS
Council Tax and NNDR	The Head of Revenues, Benefits, Customer and Community should update the debt write off procedures with a clear timescale by which debts should be authorised once they have been proposed for a write-off.	Medium 	Head of Service (Revenues, Benefits, Customer and Community)	Complete	<p>Management Comments: A new Write-Off Delegation and Authorisation document has been established which shows the timescales for write off. This has also been issued to all Revenues Management Team and staff within the Enforcement Team.</p> <p>Internal Audit Comments: We obtained the updated write-off delegation and authorisation document as of January 2025 and confirmed this has been amended to show time scale and appropriate authorising officer.</p>
	The Head of Revenues, Benefits, Customer and Community should implement a centralised document management system within the Revenues team for write-off authorisation, with clear tracking to ensure all supporting documentation is properly stored and easily retrievable for audit purposes.	Medium 	Head of Service (Revenues, Benefits, Customer and Community)	Complete	<p>Management Comments: All write off spreadsheets and authorisation emails are saved in a central location with a separate file to record council tax and anther for business rates.</p> <p>Internal Audit Comments: We confirmed that separate write-off spreadsheet has been created for CTax and NNDR at a central location in 'Orion' on the Council network.</p>

RECOMMENDATIONS: IN PROGRESS

These recommendations have been marked as In Progress as they have not been implemented by their original date, a revised date has been provided.

AUDIT	RECOMMENDATIONS MADE	PRIORITY LEVEL	MANAGER RESPONSIBLE	DUUE DATE	CURRENT PROGRESS
2023/24					
Responsive Repairs	The implementation of a programme where 10% of jobs will be formally quality assessed will be implemented within QL with clear oversight responsibility.	Medium	Head of Service (Technical Services)	30/04/2024 30/11/2024 31/03/2025	Management Comments: Post check process has commenced on QL system and are progressing with KPIs set and monitored monthly, completion has however suffered some delays, now planned to be completed by end of March. Internal Audit Comments: We note the progress of this recommendation, as delays is due to the leaving of the Repairs Manager, to which a replacement has been recruited to post this month. We will follow up in due course.
2024/25					
Social Housing Decarbonisation Fund	<p>The Director of Housing should prepare a business case ahead of the application for Wave 3 funding to cover the</p> <ul style="list-style-type: none"> • Resources and staff capacity to manage and deliver the project • Skills assessment of existing staff to manage and deliver the project. <p>Where projects are delayed, this should be reported to the relevant committees or groups within the governance and oversight structures, with explanations for the reasons for delays.</p>	Medium	Director of Housing	30/11/2024 31/03/2025	Management Comments: The Service team is undergoing restructuring to meet business requirements. Job descriptions have been updated with a business case scheduled for completion by March 2025 following the bid outcome. Progress report on ongoing actions have been reported to the Housing and Scrutiny Committee. Internal Audit Comments: We note the progress of this recommendation and will follow up in due course.

AUDIT	RECOMMENDATIONS MADE	PRIORITY LEVEL	MANAGER RESPONSIBLE	DU DATE	CURRENT PROGRESS
Business Continuity and Disaster Recovery	For each identified directorate/service area, management should ensure that a defined and up to date BCP is in place that identifies staff responsible for the plan in addition to key areas of vulnerability and defined business impact assessments.	Medium	Health and Safety and Compliance Manager	31/01/2025 31/03/2025	<p>Management Comments: The BCPs are underway but have been a bit delayed. A meeting is in the diary for officers to deliberate on this, with a view to complete before the end of March 2025.</p> <p>Internal Audit Comments: We note the progress of this recommendation and will follow up in due course. The Council have had floods in the area, so the recovery processes have been prioritised to address those.</p>
Business Continuity and Disaster Recovery	Within the individual BCPs, management should ensure that any identified activities that depend on a third-party provider have an identified BCP. This should also specify whether the BCP has been tested	Medium	Health and Safety and Compliance Manager	31/01/2025 31/03/2025	<p>Management Comments: All BCPs with third party dependencies have been identified and would be expanded on in the BCPs at the February Officer's meeting underway but has been a bit delayed. A meeting is in the diary for officers to deliberate on this, with a view to complete before the end of March 2025.</p> <p>Internal Audit Comments: We note the progress of this recommendation. We will follow up in due course.</p>

FOR MORE INFORMATION:

Gurpreet Dulay

Gurpreet.Dulay@bdo.co.uk

The matters raised in this report are only those which came to our attention during the course of our audit and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. The report has been prepared solely for the management of the organisation and should not be quoted in whole or in part without our prior written consent. BDO LLP neither owes nor accepts any duty to any third party whether in contract or in tort and shall not be liable, in respect of any loss, damage or expense which is caused by their reliance on this report.

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