

Carlisle City Council

Report to Audit Committee

Report details

Meeting Date:	10 December 2021
Portfolio:	Finance, Governance and Resources
Key Decision:	Not applicable
Policy and Budget Framework	YES
Public / Private	Public
Report:	INTERNAL AUDIT PROGRESS 2021/22 (OCTOBER TO NOVEMBER)
Report of:	CORPORATE DIRECTOR FINANCE & RESOURCES
Report Number:	RD57/21

Purpose / Summary:

This report provides an overview of the work carried out by Internal Audit between October and November of 2021/22. The report also includes information on progress against the agreed audit plan, performance indicators, previous audit recommendations and amendments to the Internal Audit plan.

Recommendations:

The Committee is requested to

- i) note the progress against the audit plan for 2021/22;
- ii) receive the final audit assignments as outlined in paragraph 2.2;
- iii) note the progress made on audit recommendations to date outlined in Appendix B.
- iv) approve the proposed amendments to the Internal Audit Plan 2021/22 in Appendix C.

Tracking

Executive:	Not applicable
Scrutiny:	Not applicable
Council:	Not applicable

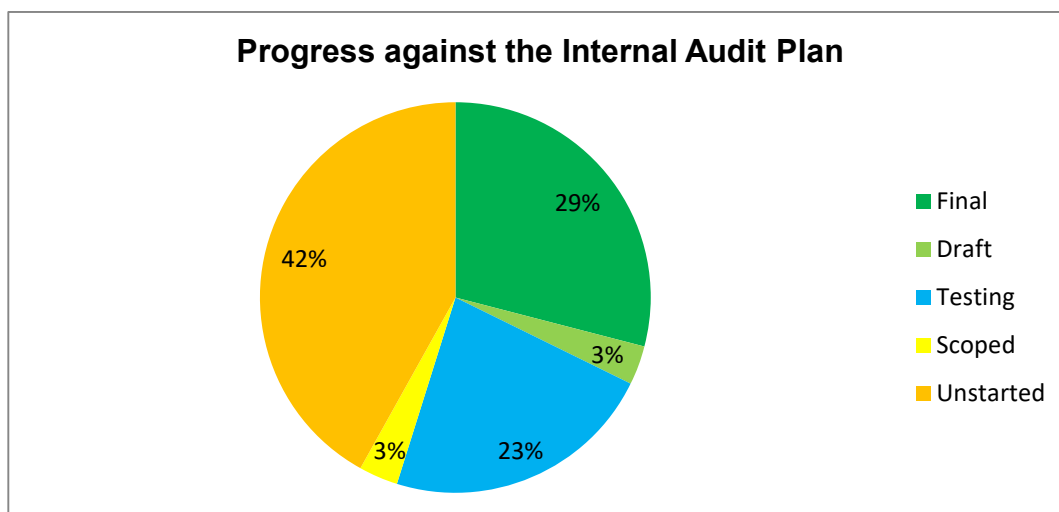
1. Background

1.1. Management is responsible for establishing effective systems of governance, risk management and internal controls. It is the responsibility of management to establish appropriate arrangements to confirm that their systems are working effectively, that all information within them is accurate and that they are free from fraud or error.

1.2. Internal Audit's role is to provide independent assurance to senior management and the Audit Committee over the adequacy and effectiveness of management's arrangements for governance, risk management and internal control.

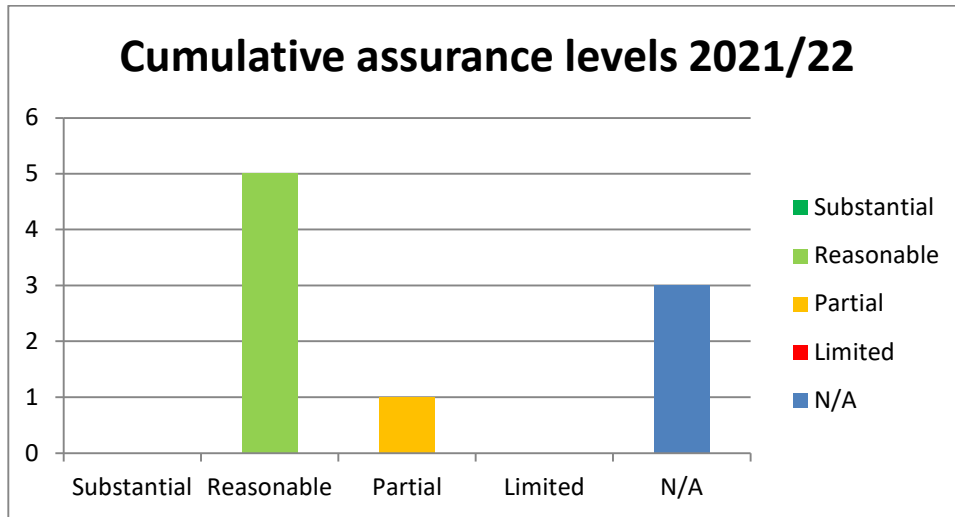
2. Progress Against Audit Plan

2.1 Progress against the 2021/22 audit plan is detailed at Appendix A. 32% of current planned reviews have been finalised to draft (40% of the draft revised plan) and 55% of audits are underway or finished).



2.2 5 planned pieces of work were completed in the period.

Review Area	Assurance Level
Annual fraud review	N/A
Corporate Internal Controls	Reasonable
Environmental Strategy	Reasonable
Disabled Facilities grants	Reasonable
Neighbourhood Services (Culture Review)	Partial



2.3 The Audit resource was also utilised in the period revising the draft audit plan (see section 5).

2.4 An Audit of Property Income was concluded in August 2021 and a draft report was issued to the Property Services Manager giving partial assurances. A meeting was held between Internal Audit and the Property Services Manager in September 2021 to discuss the findings. It was agreed that extra evidence could be provided to Internal Audit, increasing assurances over the internal controls in place within the audited area.

2.5 To date no further evidence has been provided and there has been very limited further engagement from the Client. The Client has indicated that additional workload pressures (providing assurances to external audit queries on asset valuations for the Statement of Accounts, and workloads supporting Local Government Reorganisation) and other capacity issues (vacancies and sickness) have left the team unable to provide a response to the draft report. Work is ongoing to agree the content of the report with the aim that it be reported to the next Audit Committee.

2.6 At the previous Audit Committee Internal Audit raised ongoing concerns relating to ICT controls, particularly around cyber-security. Part of planned mitigating actions to address these concerns was the filling of three vacancies within the ICT Services team. Unfortunately, the recruitment exercise was unsuccessful and the posts remain vacant. Management are currently reviewing options to obtain additional resource. Internal Audit are in an ongoing dialogue with the ICT Services management team to review ongoing actions to address concerns

3. Performance Indicators

3.1 To provide an effective internal audit service, there needs to be a measure of the performance it achieves. The table below shows progress against indicators agreed for 2021/22. risks faced by the authority are reviewed on an ongoing basis as part of risk management processes and are considered by Internal Audit as part of their routine planning processes

Indicator	Target (YTD)	Performance	Comments
Planned Audits Completed	68%	29%	Annual target 90%
Timely Draft Reports (within 3 months of fieldwork starting)	80%	62%	
Timely Final Reports (within 8 days of client response)	90%	100%	
Recommendations Agreed	95%	100%	100%
Assignments completed (within 10% of allocated resource)	60%	50%	
Positive feedback	90%	-	No responses to date
Chargeable time	80%	66%	
Recommendations implemented first time	80%	74%	

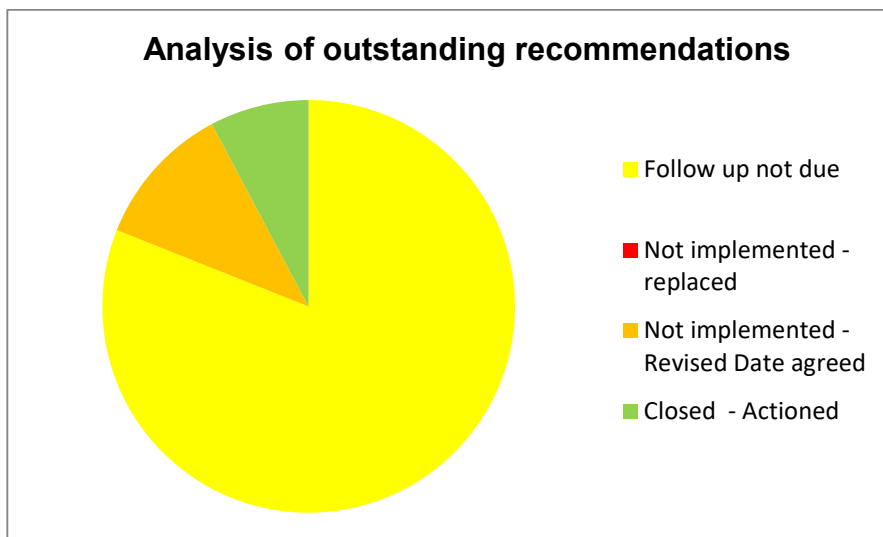
3.2 Progress on the plan has been impacted by the long-term sickness absence / phased return within the team. 29% of reviews have been finalised against a target to date of 68%. This increases to 40% if the draft revisions to the audit plan are improved (see section 5).

3.3 Progress is being monitored and if required Internal Audit will also seek to utilise additional resource to ensure suitable coverage is obtained to provide the annual audit opinion for 2021/22 (See section 5).

4. Audit Recommendations

4.1 **Appendix B** shows a summary position of outstanding audit recommendations and progress made against implementing these. Once the agreed implementation date has passed, internal audit will ask the responsible officer for an update of progress. The responses will then be reported to the next available Audit Committee meeting and, if implemented, will then be removed from the list so that only outstanding recommendations remain. Where the recommendations relate to a partial assurance audit, these will be subject to a formal follow up and will be reported back to Audit Committee separately. New recommendations will be added to the list once final reports are agreed.

4.2 9 recommendations out of 22 followed up were found to have been fully implemented (9 in line with original agreed timescales) and are now closed



5. Amendments to the Audit Plan / Audit Resources

5.1 The Committee is asked to Due to a the rapidly changing risk environment, combined with long-term sickness absence within the Internal Audit Team a review of the Internal Audit plan was undertaken, including consultation with Senior Management. A number of amendments are proposed to the Internal Audit plan (see **Appendix C**):

Fleet Management

Defer to 2022/23 as aspects already covered within Environmental Strategy review and sufficient coverage of Community Services Directorate in current year.

Job Evaluation

Remove as review will no longer add significant value, as job evaluation process will be reviewed and updated as part of Local Government Re-organisation.

Future High Street Fund

Reduce scope of audit from 20 to 15 days

Disabled Facility Grant

Reduced scope of audit from 20 to 10 days due to limited testing identified in scoping meeting.

Advice Agencies

Remove as assurances can be placed on recent external review of service.

Main Accounting system & Budget Monitoring

Reduce scope of audit from 20 to 15 days

Routine Follow Up of Audit Recommendations

Increase budget by 10 days - additional resource on engaging with managers to improve implementation and review risk exposure of actions deferred as a result of LGR.

Covid Grants

Increase scope of audit from 10 to 20 days due to additional testing identified in scoping meeting.

E-Purchasing (Ordering/Creditors)

Remove as project unlikely to be progressed as a result of Local Government Reorganisation.

Planning

Increase provision by 2 days to allow for additional time to adjust plans during the year.

Sickness

Increase budget to 75 days to reflect long-term absence within the team.

- 5.2 The proposed revisions ensure a realistic audit plan is in place that reflects ongoing resourcing issues within the team, while still ensuring adequate audit coverage to provide an annual opinion for 2021/22. Internal Audit are reviewing options available in relation to additional resource. Completion of the plan however, is also reliant on full engagement from Audit Clients

6. Risks

- 6.1 Findings from the individual audits will be used to update risk scores within the audit universe. All audit recommendations will be retained on the register of outstanding recommendations until Internal Audit is satisfied the risk exposure is being managed

7. Consultation

- 7.1 Not applicable.

8. Consultation

- 8.1 The Committee is requested to
- i) note the progress against the audit plan for 2021/22;
 - ii) receive the final audit reports as outlined in paragraph 2.2;
 - iii) note the progress made on audit recommendations to date outlined in Appendix B.
 - iv) approve the proposed amendments to the Internal Audit Plan 2021/22 in Appendix C.

9. Contribution to the Carlisle Plan Priorities

- 6.1 To support the Council in maintaining an effective framework regarding the prevention, identification, investigation and recovery of fraudulent activity, which underpins the delivery the Council's corporate priorities and helps to ensure efficient use of Council resources

Contact details:

Contact Officer: Michael Roper Ext: 7520

Appendices attached to report:

- Appendix A – Progress against Audit Plan and Timeline of audits
- Appendix B – Progress against previous Audit Recommendations
- Appendix C - Proposed

Note: in compliance with section 100d of the Local Government Act 1972 the report has been prepared in part from the following papers:

- None

Corporate Implications:

Legal - In accordance with the terms of reference of the Audit Committee, Members must consider a summary of internal audit activity and summaries of specific internal audit reports. This report fulfils that requirement

Property Services - None

Finance – Contained within report

Equality -None

Information Governance- None

CARLISLE CITY COUNCIL
PROGRESS AGAINST REVISED AUDIT PLAN 2021/22

Service Area	Review Type	Audit Area	Plan	Actual	Status	Audit Committee	Assurance Evaluation	Comments
Financial Services	MFS	Internal Control Questionnaires - Non Audited Systems	2	2	Final	N/A	N/A	
Health & Well-being	VFM	Small grant payments (Community Services)	10	9	Final	Sep 21	Reasonable	
Council-wide	Governance	Good Governance Principles / Local Code of Conduct	5	3	Final	N/A	N/A	
Health & Well-being	Directorate	Community Centres	20	22	Final	Sep 21	Reasonable	
Council-Wide	Corporate	Environmental Strategy	20	22	Final			
Neighbourhood Services	Directorate	Neighbourhood Services (Culture Review)	15	27	Final			
Council-Wide	Counter-Fraud	Annual fraud review	5	5	Final			
Regulatory Services	Directorate	Disabled Facilities grants	20	11	Final			
Council-Wide	Corporate	Corporate Internal Controls	5	5	Final			
Property Services	Directorate	Property Income	15	20	Draft			
Council-Wide	Consultancy	Business Continuity & Emergency Planning	10	4	Testing			
Neighbourhood Services	Directorate	Recycling (Perf Info)	10	7	Testing			
Development Control	Directorate	Development Control (Complaints procedure)	10	2	Testing			
Community Services	Directorate	Sands Centre Redevelopment	20	18	Testing			
Organisation Development	Directorate	Workforce Development and Training (inc Workforce Strategy and e-learning)	20	17	Testing			
Revenues & Benefits	MFS	Council Tax	20	8	Testing			
Revenues and Benefits	Counter-Fraud	Covid Grants	10	9	Testing			

Service Area	Review Type	Audit Area	Plan	Actual	Status	Audit Committee	Assurance Evaluation	Comments
Financial Services	MFS	Financial Services Governance Arrangements	5	0	Scoped			
Council-Wide	Counter-Fraud	National Fraud Initiative	10	3	Testing			
Council-Wide	Corporate	Scheme of delegation	5	-				
Digital Services	Directorate	Cyber-Security	20	-				
Development Control	Directorate	Major projects - governance arrangements	20	-				
Property	Directorate	Building Maintenance	20	-				
Financial Services	MFS	Creditors (including cheque control)	15	-				
Financial Services	MFS	Main Accounting System & Budget Monitoring (inc MTFP)	20	-				
ICT	Follow Up	ICT Recommendations	5	-				
Financial Services	Counter-Fraud	Procurement review	10	-				
Neighbourhood Services	Directorate	Fleet Management (inc Strategy)	20	-				Propose deferral
Human Resources	Directorate	Job Evaluation	20	-				Propose removal
Homelessness Services	Directorate	Advice Agencies	15	-				Propose removal
Financial Services	Consultancy	E-Purchasing (Ordering/Creditors) (New System)	10	-				Propose Removal
		Follow-up contingency	20	15				
		Counter Fraud Contingency	10	3				
		Advice & Guidance Contingency	10	1				
		Contingency (2020.21)	41	56				
		Audit Committee	16	9				
		Planning & Management	53	46				

Service Area	Review Type	Audit Area	Plan	Actual	Status	Audit Committee	Assurance Evaluation	Comments
		OVERALL TOTAL	557	324				

Ass Code	Audit	Recommendation	Priority	Risk Exposure	Agreed action	Responsible Manager	Original Completion Date	Revised Completion Date (if applicable)	No.	Status
A1802	Smarter Service Delivery (Reasonable)	A process should be developed to archive and/or delete personal information held within both Salesforce and My Account, in line with suitable retention periods.	M	Council in possession of unnecessary personal information. Risk of breaching data protection legislation. Risk of fines and sanctions.	Scheduled deletion and disposal report tool is currently being configured. MyAccount specific privacy policy is being introduced with appropriate retention schedules applied.	Customer Services Manager	31 August 2018	31/11/21	6	Implementation of this recommendation has been continuously delayed due to ongoing resource shortages within ICT Services and is unlikely to be implemented until after LGR without significant investment. An assessment of risk exposure was issued to the relevant Senior Manager (Chief Executive) who has requested further analysis to determine costs of earlier implementation.
A1801	Information Governance (Reasonable)	Recommendation 5 – Assurances should be obtained that all officers without access to a network account have received appropriately targeted training regarding their obligations in relation to records management.	M	Staff unaware of regulatory requirements.	Managers with staff who do not have network access will be listed, provided with support and asked to confirm in writing that they have ensured their staff have received appropriate training and information.	Health and Wellbeing Manager	14 June 2019	01 September 2020	4	Training was scheduled for March 2020, but was postponed due to Covid-19 pandemic (minimal risk due to limited amount of personal records maintained by relevant officers). No response has been received from the responsible manager to provide assurance this action has now been implemented.
A1801	Information Governance (Reasonable)	Recommendation 9 – Further work is required to ensure the Council stores and disposes of records in line with what is stated in its retention schedules, including particular work required from an ICT perspective.	M	Council retains unnecessary information	The Council's ICT systems will be reviewed to enable and support the deletion of electronic data. A review of the retention schedules and disposal logs will be added to the Information Governance Inspection Checklist.	ICT Services Manager/ Information Governance Manager	02 August 2019	30 August 2021	1	Progress ongoing: The Responsible Managers have undertaken research and are drafting a report for SMT in relation to retention of back-ups. (with a view to commencing new processes from 22/23). The Information Governance Inspection Checklist has been updated as previously referenced. Further work is ongoing to improve records management through the Rusal Office 365 project, but this is a significant exercise which is likely to be carried over to the new authority
A1801	Information Governance (Reasonable)	Recommendation 14 – The Council's Home-working guidance and self-assessment should be updated to reflect GDPR requirements	M	Data breach due to insecure working practices as part of home-working.	The Council's Home-working guidance and self-assessment will be updated to reflect GDPR requirements and re-issued for completion and sign off by managers of staff who work from home	Information Governance Manager / HR Manager	21 June 2019	30 August 2021	4	Agile working policy initially drafted early 2020 including working from home data-protection self-assessment; however impact of pandemic and resource shortages has resulted in delays in completion. It is proposed that preparation of a new policy is deferred due to LGR. Internal Audit will facilitate a review of risk exposure for Senior Management review and approval, including inclusion of any interim mitigating actions.
B1801	Allowances, Travel & Subsistence (Employees) Reasonable	Recommendation 8 – Consideration should be given to implementing an electronic claim form to improve the legibility, efficiency and internal controls of the travel payment process, including consideration of set mileage for common journeys.	M	Allowances and expenses are not claimed and paid within the Council's current rules and regulations.	This needs to be discussed & investigated further to see if it is time and cost effective. This will be looked in line the i-Trent review which is due to be undertaken in 2020.	Payroll & i-Trent Supervisor / HR Manager	30 April 2021	30 September 2021	1	Review was initially delayed due to vacant Head of Service Post. In light of LGR announcement it is now proposed this action is deferred and considered when considering processes to be adopted by the new authority. Internal audit to provide Senior Management with assessment of potential risk exposure faced in the interim period (Q4)
G2004	Income (Reasonable)	Recommendation 1 - Systems, processes and responsibilities should be formally established to ensure income related procedures in all Service Areas are suitable and monitored to provide assurance of compliance with requirements detailed within the Financial Procedure Rules document.	M	Inadequate governance leading to non-compliance with Financial Procedure Rule requirements resulting in inconsistent practices and inaccurate accounting information.	Assisted by Finance Officers, Service Managers should document service specific income guidance to include systems, processes and responsibilities in line with the Financial Procedure Rules	Financial Services Manager	30-Sep-21		1	Process now in place to set out Accountancy Services requirements and review all service-held procedures for completion on an annual basis. Closed.
G2004	Income (Reasonable)	Recommendation 2 – Arrangements, authorisation and limits for holding income within individual service areas should be formalised and documented.	M	Inadequate governance leading to non-compliance with Financial Procedure Rule requirements resulting in inconsistent practices and increased exposure to the risk of theft and fraud.	Scheme of Delegations to be updated to include arrangements, authorisation and limits for holding income.	Financial Services Manager	30-Sep-21	31 March 2021	1	Review of income collection post-pandemic found that other than car parking (established procedure) levels of banking are usually low value. However, input to be obtained from SMT regarding current delegated authority.

G2004	Income (Reasonable)	Recommendation 3 – PCI-DSS non-compliance should be subject to formal risk assessment activity to identify and facilitate implementation of required controls, action planning and sources of assurance (both short and long-term).	H	Failure to comply with Payment Card Industry (PCI) Security Standards leading to loss or compromised data and resulting in fines or sanctions.	A risk assessment be completed for PCI-DSS non-compliance and added to the Corporate Risk Register	Financial Services Manager	31-Dec-21		N/A	To be addressed through upgrade to Civica and upgrade of telephony system. Work ongoing to progress both (though potential resource issues on latter due to staff shortages within ICT Services).
F2001	Safe Recruitment (Reasonable)	Recommendation 1 – The process for administrating pre-employment medical examinations and collation of emergency contact information should be documented.	M	Inconsistent approach / lack of clarity on appropriate process.	Procedures to be updated to include pre-employment and emergency contact processes.	HR Advisers	30-Apr-21		1	New starter checklist for HR updated to reflect pre employment and emergency contact details processes. Closed.
F2001	Safe Recruitment (Reasonable)	Recommendation 2 - An exercise should be undertaken to define the category of medical check received for individual posts, which should be agreed with Service Managers	M	Relevant medical conditions not identified due to irrelevant examination.	Propose HR develop a risk assessment form that managers can send on to OH. AC/SN to query current new starter process with OH and determine actions following this.	HR Team	30-Apr-21	31 January 2022	1	Procedure guidance updated to reflect 4 levels of pre-employment review category. Monitoring this is pending new software update to amend the OH referral process. Meeting with OH to be arranged in November 2021 to progress.
F2001	Safe Recruitment (Reasonable)	Recommendation 3– Employing managers should provide the information in the pre-employment medical questionnaire relating to risk exposures relevant to the role.	M	Fail to identify relevant risk exposure faced by the role.	Risk assessment for role to be attached to Post-Interview checklist (which manager completes). This can then be shared with OH when commencing new starter medical checks.	HR Team	30-Apr-21	31 January 2022	1	Procedure guidance updated to reflect 4 levels of pre-employment review category. Monitoring this is pending new software update to amend the OH referral process. Meeting with OH to be arranged in November 2021 to progress. Pre-interview checklist will need updating.
F2001	Safe Recruitment (Reasonable)	Recommendation 4 – The previous recommendation to implement a process to ensure agency and casual staff are subject to appropriate checks should a) incorporate collation of medical clearance and emergency contact details and b) be expanded to ensure the same checks are carried out for volunteers.	M	Fail to identify medical information or emergency contact details for individuals delivering services on behalf of the Council.	As of September 2020, casual staff now have a pre-employment medical assessment. / Casual onboarding documents to be updated with emergency contact details and details of medical clearance. Risk assessment will need attached as it does for all new employees (for the purpose of medical clearance). / Volunteers – need to look at current process and get a steer from DC re medical checks as previous managers have raised concerns about this deterring volunteers.	HR Team	31-Jul-21	31 December 2022	1	Information sharing procedures with relevant agencies is being worked on and will be complete by December 2021. For volunteers - request for information has been added to volunteer agreement re health/underlying medical conditions. Referrals can be made to OH where relevant and on request.
F2001	Safe Recruitment (Reasonable)	Recommendation 5 – An exercise should be undertaken to identify and record all existing volunteers within iTrent.	M	Fail to identify medical information or emergency contact details for individuals delivering services on behalf of the Council.	Initial collation exercise to be undertaken to identify and record all volunteers in iTrent. Detailed review of volunteer process due to be undertaken later in the year.	HR Adviser	30-Apr-21		1	Green spaces volunteers are now on iTrent including emergency information. Closed.
F2001	Safe Recruitment (Reasonable)	Recommendation 6 – A process is required to ensure health and safety induction forms are completed by line managers and retained on file.	M	Appropriate training and guidance not provided to new starters.	Seek to identify electronic process to replace current format, allowing for more controlled monitoring of the completion process.	Safety Health & Environmental Manager	30-Jun-21	01 April 2022	1	Health and Safety currently reviewing potential for digitised process to allow easier monitoring of completion.
F2001	Safe Recruitment (Reasonable)	Recommendation 7 - New starters should be given the opportunity to declare any special requirements required in relation to medical conditions as part of the new starter/induction process.	M	Fail to identify/mitigate against any pre-existing medical conditions.	This should be covered in the pre-employment medical checks that all new starters are now going through. A note to remind new employees of the opportunity to raise any pre-existing medical conditions will also be added to the Manager's induction checklist.	HR team / OD team	30-Apr-21		1	On review of process, management now feel there is reasonable opportunity and avenues for new employers to highlight any health issues or reasonable adjustments they may require. This responsibility on employees is emphasised in the new Attendance Management Policy . Closed.
F2001	Safe Recruitment (Reasonable)	Recommendation 8 – Council policies should be updated to encourage employees to inform the Council of any relevant emerging medical condition that impact on their ability to perform their role. Assurances should be provided to employees that information will be handled confidentially.	M	Fail to identify/mitigate against any emerging medical conditions.	Wording included in the draft Improving Attendance Policy, Employee responsibility section, to request they inform their manager if they develop a medical condition that could potentially impact their ability to carry out their role, or one that may require additional support within the workplace. The policy is covered by a confidentiality clause. Policy to be approved by SMT.	HR Advisers	28-Feb-21		1	Included under employee responsibilities in new Improving Attendance policy. Policy approved by employment panel and launched 22/9/21. Closed.
F2001	Safe Recruitment (Reasonable)	Recommendation 9 – A Data Protection Impact Assessment should be carried out to ensure changes to the pre-employment medical checking process continues to comply with data protection legislation.	M	Failure to comply with data protection legislation.	HR to work with Information Governance Manager to complete DPIA.	HR Adviser / Information Governance Manager	31-May-21	31 December 2021	1	Scheduled to be undertaken in November 2021. In conjunction with OH provider and as part of the transfer to the new system.
F2001	Safe Recruitment (Reasonable)	Recommendation 10 – An exercise should be taken to ensure emergency contact information is retained in iTrent for all employees and members.	M	Unable to contact emergency contacts.	Reminder emails go out to all staff to remind them to update their personal information and emergency contact details. Also suggest a skill gate declaration that they have updated their own and emergency contact details in iTrent (which all staff can do via self-service).	HR Advisers & OD team	30-Apr-21	31 December 2021	1	Following discussion with OD team Skill gate suggestion is not likely to work. Once every 3 months an email is to go out to all staff to ask to review & update emergency contact details. Members emergency contact details to be saved on regular basis in a confidential area (SharePoint/locked drawer) for night staff to access should there be an emergency out of hours.

F2001	Safe Recruitment (Reasonable)	Recommendation 11 – the form for recruiting casual employees should be amended to request emergency contact details.	M	Unable to contact emergency contacts.	Update casual new starter form with section on emergency contact details.	HR team	31-Mar-21	31 December 2021	1	Payroll updating Casual form to include emergency contact details November 2021.
I2002	Driver Checks (Follow Up Reasonable)	Recommendation 4 – A process should be in place to ensure all staff driving a pool car and hire car have an appropriate licence in place	H	Officers driving on Council business without appropriate licence and/or insurance	Access to the third-party licence checking bureau granted to SST so checks of pool vehicle users can be carried out. Drivers of hire vehicles have their licences checked routinely by Fleet. If drivers are not on the database, both parties will request confirmation from the driver's line manager that a licence check has been conducted satisfactorily	Fleet and Depot Manager in discussion with service support	01-May-21		N/A	Pool cars not in use yet. Review next quarter.
E2004	Homeless Accommodation Part 2 (Reasonable)	Recommendation 1 – Management to formally record supervision meetings with all staff every 6 – 8 weeks in line with service guidance.	M	Lack of documentary evidence to demonstrate that staff are fully supported in their role.	Structured, scheduled 1:1 sessions to be diarised and documented using formal template.	HAM / AHAM	Immediately		1	Template updated and schedule in place for formal one: ones for full team. Team updated on change to process. Closed.
E2004	Homeless Accommodation Part 2 (Reasonable)	Recommendation 2 – Amendment of service guidance and forms to reflect current practice, and document how completion of future arrival and departure checks will be verified.	M	Key checks documented in service guidance are not carried out and management may be unaware.	Review service guidance and forms; ensure that file check systems ensure this is verified.	HAM / AHAM	Immediately		1	Register of file checks now maintained and checking-in and case review forms both updated. Closed.
E2004	Homeless Accommodation Part 2 (Reasonable)	Recommendation 3 – Forms to be completed and retained for all third-party information requests.	M	Management cannot fully demonstrate authorised release of personal information to third parties.	Raise with staff in team meetings and add as regular agenda item / Amend current request form to include management decision and sign off. Establish management monitoring system.	HAM / AHAM	To update new recording system from 01 April 21		1	Evidence provided of staff being informed. New form updated to include management authorisation and register of requests maintained. Closed.
E2004	Homeless Accommodation Part 2 (Reasonable)	Recommendation 4 – Management to review service guidance requirement to record case reviews.	M	Quality of case management and resident welfare is not formally verified by Senior staff.	Simplify recording template and monitoring systems, and review service guidance.	AHAM / HPASM	Immediately		1	Guidance and templates updates. Dates of review monitored using spreadsheet. Closed.
G2006	Housing Benefits (Reasonable)	Recommendation 7 – Debts to be formally reviewed by management prior to authorisation. Documentary evidence of authorisation by Corporate Director to be retained.	H	Clear segregation of duties is not maintained. / Debts are not written off in line with the Financial Regulations.	Authorisation process and approval by Recovery Team Leader to be documented.	Recovery Team Leader	31st October 2021		1	Evidence of approval now retained on file with appropriate spreadsheets. Closed.
I2001	ICT Recommendations (N/A)	Recommendation 2 – The Data Sharing Agreements should be checked to ensure compliance with GDPR and should be signed by all parties to formalise the arrangement.	H	Failure to comply with legislation / Legal complications in the event of contractual dispute.	Information Governance Manager pursuing data protection agreements between all parties. There has been a delay on progressing due to limited engagement with partnership organisations. Progress anticipated at start of 2021/22. Once an Options Appraisal is available, the team will consider overall implications for the Partnership and obtain signed agreements where required.	Information Governance Manager / Revenues and Benefits Operation Manager	31-Dec-21		N/A	Recommendation unlikely to be implemented due to LGR, which will result in all three Councils merging as part of the new Council. Assessment of risk exposure to be prepared and presented to Senior Management.
I2001	ICT Recommendations (N/A)	Recommendation 3 – Cyber-security training provided should be reviewed on a regular basis to ensure it is up to date and includes relevant issues, including physical security of Council assets and (once updated) Council policies.	H	Successful cyber-attack on council's network as a result of preventable lack of awareness.	Currently identified updated NCSC cyber awareness training course and working with OD to implement through Skillgate. Working with OD to update other guidance documentation for staff so that OD can deliver through Skillgate	Workforce Development Manager & ICT Management team	30-Aug-21		N/A	No progress during period as awaiting additional resource. Recruitment exercise unsuccessful, so alternative options being considered. In the meantime ICT are consulting with Senior Management regarding assessing priority work.
I2001	ICT Recommendations (N/A)	Recommendation 4 – Completion of all mandatory cyber-security training should be monitored, with line managers required to follow up outstanding completion on a timely basis. This process should be supported corporately to ensure a consistent approach is adopted across the full Council	H	Successful cyber-attack on council's network as a result of preventable lack of awareness.	OD team to monitor Skillgate courses and follow up non compliance with SMT. Reminders to be issued for non completion. In addition OD will record development sessions and email with read receipt and provide one to one support as part of the OD development support to I.T	Workforce Development Manager	30-Aug-21		N/A	No progress during period as awaiting additional resource. Recruitment exercise unsuccessful, so alternative options being considered. In the meantime ICT are consulting with Senior Management regarding assessing priority work.
I2001	ICT Recommendations (N/A)	Recommendation 6 - Action should be taken to ensure all Members have access to suitable cyber-security training	H	Successful cyber-attack on council's network as a result of preventable lack of awareness.	Development session courses to be devised and e-mailed to all Members including ICT security (with read receipt to ensure all Members have received updates). One to one sessions with Members also to be developed.	Workforce Development Manager.	30-Aug-21		N/A	No progress during period as awaiting additional resource. Recruitment exercise unsuccessful, so alternative options being considered. In the meantime ICT are consulting with Senior Management regarding assessing priority work.
I2001	ICT Recommendations (N/A)	Recommendation 7 – The full suite of ICT policies should be reviewed and updated including those policies referred to in previous audit recommendations and benchmarked against best practice to ensure policies are complete. Once complete policies should be approved by Senior Management, communicated to all officers and stored in a location accessible to all network users.	H	Lack of guidance for network users increasing risk of error, misuse, successful cyber-attacks and viruses.	Currently working on updated ICT Policy and Data backup policies that will be presented to SMT for adoption	Head of Digital and Technology	31-Oct-21		N/A	No progress during period as awaiting additional resource. Recruitment exercise unsuccessful, so alternative options being considered. In the meantime ICT are consulting with Senior Management regarding assessing priority work.

I2001	ICT Recommendations (N/A)	Recommendation 15 – The Council should formalise plans for future assurances (internal and external) to be obtained for security of the network	H	Security issues unidentified and unresolved.	Long term plan is full testing of the IT Estate and currently working with the LGA on a pilot testing scheme for councils. Any issues identified as Critical or High are dealt with appropriately and all issues are recorded in an action plan. This plan will be made available to senior management, audit and data protection manager. Engagement of external providers for security monitoring is in place to provide further assurance	Head of Digital and technology	31-Dec-21		N/A	No progress during period as awaiting additional resource. Recruitment exercise unsuccessful, so alternative options being considered. In the meantime ICT are consulting with Senior Management regarding assessing priority work.
D2001	Community Centres (Reasonable)	Recommendation 3 - To seek documented internal professional advice on legislative and regulative requirements to establish the most robust agreements for the management of these Community Centres	H	Unclear funding arrangements, and reputational risk to The Authority	Contact legal service for documented advice on the legislative and regulative requirements of Community Centre funding agreements for 2022/23 financial year.	Healthy City Team Manager	30/01/2022		N/A	Healthy City team have approached Legal Services for advice, though no response received to date.
D2001	Community Centres (Reasonable)	Recommendation 4 – Reinstate Annual Agreements with Community Centres	H	Unclear funding arrangements, and reputational risk to The Authority	Reinstate annual agreements.	Healthy City Team Manager	01/04/2022		N/A	Necessity for meeting with Community Centre managers identified, but requires advice from Legal services before recommendation can be progressed.
H2101	Third Party Grant Payments VFM (Reasonable)	Recommendation 1 – Review business continuity arrangements for management of third sector funding.	H	Third sector organisations do not achieve best value for the Authority.	Business continuity arrangements to be reviewed and documented so that Communities and Contracts Officer role can be re-allocated to trained staff at short notice	Healthy City Team Manager	30/09/2021		N/A	Review of BCP reported as undertaken, but evidence not provided so unable to close.

Formal Audit follow up scheduled
Management Statement scheduled to request evidence of implementation
Recommendation not actioned - revised timescales for implementation agreed (or rec replaced)
Follow up scheduled for recommendation previously identified as unactioned
Recommendation reviewed and not confirmed as actioned (no response/revised timescales have passed)

Appendix C – Proposed amendments to the 2021/22 Internal Audit Plan

Category	Audit Area	Original	Q1 Revisions	Q3 Revisions	Comments
		Days	Days	Days	
Corporate Reviews	Business Continuity & Emergency Planning	20	0	0	Moved to Consultancy (Q1)
	Environmental Strategy	20	20	20	
	Scheme of delegation	5	5	5	
	Corporate Governance Controls	0	5	5	
Community Services	Sands Centre Redevelopment	20	20	20	
	Street Cleaning -operations	20	0	0	Deferred - sufficient coverage of service area in 2021/22 plan (Q1).
	Recycling (Perf Info)	10	10	10	
	Fleet Management (inc Strategy)	20	20	0	Propose deferral - sufficient coverage of service area in plan.
	Job Evaluation	20	20	0	Review will no longer add significant value due to Local Government Re-organisation.
	Workforce Development and Training (inc Workforce Strategy and e-learning)	20	20	20	
	Community Centres	0	20	20	C/F from 2020/21
	Neighbourhood Services (Culture review)	0	15	15	C/F from 2020/21
Corporate Support	Cyber-Security	20	20	20	
Economic Development	Development Control (Complaints procedure)	10	10	10	
	Major projects - governance arrangements	20	20	15	Reduce scope to 15 days
	Property Income	0	15	15	C/F from 2020/21
Governance & Regulatory Services	Building Maintenance	20	20	20	
	Disabled Facilities grants	20	20	10	Reduced scope
	Advice Agencies	15	15	0	Reliance on external review
Main Financial Systems	Internal Control Questionnaires - Non Audited Systems	2	2	2	
	Financial Services Governance Arrangements	5	5	5	
	Council Tax	20	20	20	
	Creditors (including cheque control)	15	15	15	
	Main Accounting System & Budget Monitoring (inc MTFP)	20	20	15	Reduced scope
Governance	Good Governance Principles / Local Code of Conduct				
		5	5	5	
Follow Ups	Contingency / Routine Follow Up of Audit Recommendations	20	20	30	Increased resource to add further value by encouraging implementation and reviewing risk exposure
	Absence Management	5	0	0	Limited added value until new process is approved and established. Unlikely to be until 2022/23
	ICT O/S Recommendations	0	5	5	Need for further follow up identified.

Appendix C – Proposed amendments to the 2021/22 Internal Audit Plan

Category	Audit Area	Original	Q1	Q3	Comments
		Days	Revisions Days	Revisions Days	
Counter Fraud	Contingency	20	10	10	NFI testing
	Annual fraud review	5	5	5	
	Procurement review	10	10	10	
	NFI	0	10	10	As above
	Covid-19 Grant Payments	0	10	20	Increased scope
Advice & Consultancy	Contingency	10	10	10	
	Project Management	10	0	0	Deferred as unlikely to take place in 2020/21.
	E-Purchasing (Ordering/Creditors) (New System)	10	10	0	No longer priority project due to LGR
	Business Continuity & Emergency Planning	0	10	10	Moved from Corporate reviews.
Contingency	Contingency	83	36	36	3 reviews c/f
VFM & Efficiency Reviews	Small grant payments (Community Services)	10	10	10	
Audit Committee	Audit Committees - Preparing reports, briefings, attending committee etc.	16	16	16	
Planning and Management	General Team Management	20	20	20	
	Team Admin	10	10	10	
	Annual review and set up of new documentation	5	5	5	
	Continuous Improvement	10	10	10	
	Planning (2022/23)	5	5	7	Additional resource required for planning amendments
	Risk Management Sub Group	3	3	3	
TOTAL PRODUCTIVE DAYS		579	557	494	
Admin Codes	Annual Leave	79	79	79	
	Bank Holidays	21	21	21	
	Sickness	13	35	75	Long-term absence within the team
	Training	15	15	15	
TOTAL DAYS		707	707	684	