



Internal Audit

FINAL

Appendix 2

South Lakeland District Council

Follow Up Review

2020/21

November 2020

Executive Summary

Introduction

1. This follow up review by TIAA established the management action that has been taken in respect of the recommendations arising from the internal audit reviews listed below at South Lakeland District Council. The review was carried out in October 2020.

Review	Year	Date Presented to Audit Committee
Follow Up – September 2020	2019/20	17/09/2020
Data Protection Compliance	2019/20	17/09/2020
ICT Network Security and Cybercrime	2019/20	17/09/2020
Contract Management	2019/20	17/09/2020
Customer Connect	2019/20	17/09/2020
Main Accounting Systems	2019/20	17/09/2020
Leisure Services	2019/20	17/09/2020
Emergency Planning	2019/20	17/09/2020

Key Findings & Action Points

2. The follow up review considered whether the management action taken addresses the control issues that gave rise to the recommendations. The implementation of these recommendations can only provide reasonable and not absolute assurance against misstatement or loss. From the work carried out the following evaluations of the progress of the management actions taken to date have been identified.

Evaluation	Number of Recommendations
Implemented	18
Outstanding	40
Considered but not Implemented	-
Not Implemented	-

- The key issue identified is that implementation remains by and large on track; although there has been some slippage, most recently due to COVID-19, recommendations continue to be implemented.

Scope and Limitations of the Review

- The review considered the progress made in implementing the recommendations made in the previous internal audit reports and established the extent to which management has taken the necessary actions to address the control issues that gave rise to the internal audit recommendations.
- The responsibility for a sound system of internal controls rests with management and work performed by internal audit should not be relied upon to identify all strengths and weaknesses that may exist. Neither should internal audit work be relied upon to identify all circumstances of fraud or irregularity, should there be any, although the audit procedures have been designed so that any material irregularity has a reasonable probability of discovery. Even sound systems of internal control may not be proof against collusive fraud.
- For the purposes of this review reliance was placed on management to provide internal audit with full access to staff and to accounting records and transactions and to ensure the authenticity of these documents.

Disclaimer

- The matters raised in this report are only those that came to the attention of the auditor during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Release of Report

8. The table below sets out the history of this report.

Date draft report issued:	8 th October 2020
Date management responses rec'd:	4 th November 2020
Date final report issued:	4 th November 2020

Executive Summary

Follow Up

9. Management representations were obtained on the action taken to address the recommendations and limited testing has been carried out to confirm these management representations. The following matters were identified in considering the recommendations that have not been fully implemented:
10. **Follow-up – September 2020**

Audit title	Insurance	Audit year	2017/18	Priority	2
Recommendation	A periodic reconciliation be performed between the system operated by Fleet and the claims system maintained by the Insurance Team to help ensure that all motor insurance work is properly claimed.				
Initial management response	We will work with Fleet to carry out reconciliations and will monitor the effectiveness of these.				
Responsible Officer/s	Operational Lead Delivery and Commercial Services	Original implementation date	30/01/2018	Revised implementation date(s)	31/12/2020
Latest Update	The Operational Lead Delivery and Commercial Services advised that an update for Fleet software will help maintain this system and procedure.				
New implementation date	31/03/2021	Status	Outstanding	Implementation is in progress but the original target date has not been met.	

Audit title	Licensing – Premises & Clubs	Audit year	2017/18	Priority	2
Recommendation	The Statement of Licensing Policy be amended to reflect the current application routes.				
Initial management response	The policy is set by statutory guidance from the Home Office, underpinning this there is an EU service provision directive requiring on line applications and payments. The current IT suppliers do not provide this capability and we have already recognised this as a significant weakness in the current system and is one of the main IT requirements in the new IT solution. This is a key finding of the gap analysis. Due to the work involved and the cost we propose action is deferred until the new IT product is delivered.				
Responsible Officer/s	Principal Specialist (Health & Environment)	Original implementation date	31/12/2018	Revised implementation date(s)	31/12/2020
Latest Update	March 2020: The new system is yet to be developed in line with the Customer Connect programme and the implementation of a digital platform. Once this has been implemented, the policy will be updated accordingly. Forms available online for applying for a license and paying are still in development as part of our Customer Connect project. The Principal Specialist (Health & Environment) advised that further delays related to customer connect transition and roll out of the 'digital' side of the programme have caused a further slippage in expected completion to the end of the year. No further update was received from the Principal Specialist (Health & Environment) during this review.				
New implementation date		Status	Outstanding	Implementation is in progress but the original target date has not been met.	

Audit title	Lake Services – Moorings and Encroachments	Audit year	2017/18	Priority	2
Recommendation	Invoiced amounts for encroachments be properly determined using accurate encroachment dimensions. Agreements be updated accordingly and invoices raised at correct rates, be they residential or commercial. This proper determination of invoiced amounts be effected more economically via a phased approach, on a case by case basis, rather than a full lake survey.				
Initial management response	The current Asset Database used by the Council and LSH is in the process of being updated. It is anticipated that this work will be completed by 31st December 2018. Budgets are in place to complete this work. Also note that updated plans and dimensions are established whenever works to sites are approved and on completion, when the legal ownership transfers between parties and during the resolution of any dispute process. This has been the case since the registration of the title occurred in 2006.				
Responsible Officer/s	Operational Lead Delivery and Commercial Services	Original implementation date	31/12/2018	Revised implementation date(s)	30/04/2020
Latest Update	The Operational Lead Delivery and Commercial Services advised that the Council is awaiting implementation of the TF Cloud system and is looking at digitisation priorities to remove any backlog.				
New implementation date	31/12/2020	Status	Outstanding	Implementation is in progress but the original target date has not been met.	

Audit title	Awarding of Grants	Audit year	2017/18	Priority	2
Recommendation	An overarching policy on the provision of financial aid be approved which addresses any potential provision of State Aid.				
Initial management response	Following completion of the review recommended at point 10 above, an overarching policy can be prepared which will set out the broad principles to be taken into account when entering into grant arrangements with an economic activity. This will be completed within 3 months of completion of recommendation 10.				
Responsible Officer/s	Legal, Governance and Democratic Services Specialist	Original implementation date	31/03/2019	Revised implementation date(s)	31/03/2020
Latest Update	The Legal, Governance and Democratic Services Specialist suggested this recommendation be referenced to a new action for March 2021 in light of Brexit changes to the position on State Aid. Legal Services will support drafting of a policy.				
New implementation date	31/03/2021	Status	Outstanding	Implementation is in progress but the original target date has not been met.	

Audit title	Debtors	Audit year	2018/19	Priority	2
Recommendation	Procedures be amended to highlight the importance of the existing mitigating controls that address the risk that a separation of duties does not exist between the person raising and the person authorising a sales invoice and the risk that authorisation levels for sales invoices are not defined.				
Initial management response	There are an increasing proportion of invoices raised through interfaces from other systems, particularly for rents from the Technology Forge system which would complicate the approval process. The Customer Connect programme includes a full review of all processes. This recommendation will be considered as part of that review.				
Responsible Officer/s	Operational Lead Support Services	Original implementation date	31/03/2019	Revised implementation date(s)	31/03/2020
Latest Update	The Case Management Team Leader (Support Services) advised that, due to the COVID-19 pandemic, the Customer Connect service redesign process has been put on hold to allow the Council to focus on responding to the crisis. The service redesign process is expected to restart in the next few months and therefore this will be picked up at that time.				
New implementation date	30/06/2021	Status	Outstanding	Implementation is in progress but the original target date has not been met.	

Audit title	Use of Agency, Interim and Casual Workers	Audit year	2018/19	Priority	2
Recommendation	In line with LGA advice, an assessment of female casual workers be included in any Equality Impact Assessments of pay and reward policies.				
Initial management response	Agree, these have not taken place previously. Given the fact that there have not been any quality claims in the past two years does not present an immediate risk. However as an EAI is required under the LGA we will commit to ensuring this is carried out in the future.				
Responsible Officer/s	HR Lead Specialist	Original implementation date	31/01/2020	Revised implementation date(s)	30/09/2020
Latest Update	The HR Specialist advised that the NJC has only recently come to an agreement for the new pay award. As part of the next pay policy, an EIA will be completed with an assessment of female casual workers. The next pay policy statement will be due in Jan-Feb 2021.				
New implementation date	28/02/2021	Status	Outstanding	Implementation is in progress but the original target date has not been met.	

Audit title	Information Governance	Audit year	2018/19	Priority	3
Recommendation	On completion of the Customer Connect programme and once the restructure has taken effect, GDPR refresher training be undertaken and tailored to the requirements of new staff roles.				
Initial management response	Agreed – current e-learning package to be reviewed in light of new staff roles – notably Customer Contact and Case Management roles. Consult and seek recommendations from Corporate Learning & Development Team. Resources to be made available.				
Responsible Officer/s	Senior Specialist Performance, Innovation and Commissioning	Original implementation date	20/12/2019	Revised implementation date(s)	31/12/2020
Latest Update	The Senior Specialist Performance, Innovation and Commissioning advised that Cyber Security Training was introduced to all staff on 17/09/2020. The link was circulated via the Council's intranet site and through Operational Lead Officers to all staff to undertake.				
New implementation date	31/03/2021	Status	Outstanding	Implementation is in progress but the original target date has not been met.	

Audit title	Cyber Security	Audit year	2018/19	Priority	2
Recommendation	The e-learning system introduced to deliver GDPR training also be used to deliver periodic mandatory information security awareness / refresher training both to staff and Council members and followed up by email phishing tests.				
Initial management response	Agreed for a training package to be developed and used as part of a regular cycle of training for staff.				
Responsible Officer/s	Senior Specialist Performance, Innovation and Commissioning	Original implementation date	31/12/2019	Revised implementation date(s)	31/12/2020
Latest Update	The Senior Specialist Performance, Innovation and Commissioning advised that Cyber Security Training was introduced to all staff on 17/09/2020. The link was circulated via the Council's intranet site and through Operational Lead Officers to all staff to undertake.				
New implementation date	31/03/2021	Status	Outstanding	Implementation is in progress but the original target date has not been met.	

Audit title	Cyber Security	Audit year	2018/19	Priority	2
Recommendation	A risk analysis be undertaken of the impact potential cyber threats may have on the Authority which should evaluate both technical and behavioural risk, cover those aspects of ICT delivery contained in the NCSC/CESG 10 steps to Cyber Security and include on-going consideration of security alerts issued by recognised cyber security authorities.				
Initial management response	Agreed for the risks of Cyber threats to be reviewed at a corporate level using the NCSC 10 steps as a guide. This should be linked into the business continuity and disaster recovery plans.				
Responsible Officer/s	Senior Specialist Performance, Innovation and Commissioning	Original implementation date	31/12/2019	Revised implementation date(s)	31/12/2020
Latest Update	A new implementation date has been proposed by the Senior Specialist Performance, Innovation and Commissioning due to changes at operational leadership level and the continuing transition of staff under the new Council service delivery structure.				
New implementation date	31/03/2021	Status	Outstanding	Implementation is in progress but the original target date has not been met.	

Audit title	Cyber Security	Audit year	2018/19	Priority	2
Recommendation	A cyber security incident response plan be produced identifying the various types of action required to address known threats detailed in the cyber risk analysis, referenced to detailed procedures dealing with the different actions required to the diverse types of security threat to which the Council may be subject. The arrangements for investigation of cyber incidents be supported by detailed forensic readiness procedures in order to preserve evidence to assist with the investigation and resolution of incidents and lessons learnt recorded.				
Initial management response	Agreed that a security incident management policy and a corresponding response plan are required.				
Responsible Officer/s	Senior Specialist Performance, Innovation and Commissioning	Original implementation date	30/09/2019	Revised implementation date(s)	31/12/2020
Latest Update	A new implementation date has been proposed by the Senior Specialist Performance, Innovation and Commissioning due to changes at operational leadership level and the continuing transition of staff under the new Council service delivery structure.				
New implementation date	31/03/2021	Status	Outstanding	Implementation is in progress but the original target date has not been met.	

Audit title	Cyber Security	Audit year	2018/19	Priority	2
Recommendation	Once in place, the cyber security incident plans and procedures be periodically tested, for example during testing/rehearsal of the corporate business continuity arrangements. The Audit Committee be made aware of the contents and requirements of the policy, procedures and response plans.				
Initial management response	The Management Policy and response plan will be shared with Audit Committee when completed.				
Responsible Officer/s	Senior Specialist Performance, Innovation and Commissioning	Original implementation date	31/12/2019	Revised implementation date(s)	31/12/2020
Latest Update	A new implementation date has been proposed by the Senior Specialist Performance, Innovation and Commissioning due to changes at operational leadership level and the continuing transition of staff under the new Council service delivery structure.				
New implementation date	31/03/2021	Status	Outstanding	Implementation is in progress but the original target date has not been met.	

Audit title	Homelessness	Audit year	2018/19	Priority	2
Recommendation	The working relationship with Cumbria County Council relating to homelessness be documented and agreed by both parties such that the service can provide appropriate, efficient and timely action.				
Initial management response	Work continues in this area and further partnership sessions are to take place with the CC to improve joint working in the future.				
Responsible Officer/s	Principal Specialist (People)	Original implementation date	30/09/2019	Revised implementation date(s)	26/03/2020
Latest Update	The Principal Specialist (People) stated that the final draft version of the Terms of Reference for the Cumbria Housing, Homelessness and Wellbeing Group was agreed at the 29/01/20 meeting. The membership of the Group has been extended to cover Public Health and Children's Services. This has been confirmed at Cumbria Housing Group on 01/10/20 and is due to be sent out with the minutes. The work in relation to Children's Services has been going well and regular meetings are established, through The Gateway Group, to review young people's cases in line with the young person's pathway approach commissioned by the County Council. Further work is needed in relation to former Supporting People services that are due to be decommissioned by the County Council at the end of March 2021. This is being picked up by the Leaders' Group and a joint letter is being sent to Cumbria County Council to request them to reconsider the decommissioning of these services. This has also been discussed at Cumbria Housing Group on 01/10/20 and a representative from Cumbria County Council will be developing an approach to provide regular updates in consultation with the Cumbria Housing Group.				
New implementation date	31/03/2021	Status	Outstanding	Implementation is in progress but the original target date has not been met.	

Audit title	Homelessness	Audit year	2018/19	Priority	3
Recommendation	As far as they remain relevant, recommendations from the 2015 internal audit report on the social lettings scheme be implemented once further funding is secured.				
Initial management response	We were hopeful that we would have received the additional funding as it was a sound application jointly with Eden. Unfortunately the grant wasn't approved and we are seeking further funding to support this work – if that fails we will need to undertake a fundamental review of the current scheme.				
Responsible Officer/s	Principal Specialist (People)	Original implementation date	31/12/2019	Revised implementation date(s)	30/06/2020
Latest Update	The Principal Specialist (People) stated that there are now just three tenancies remaining on the old scheme. The new post holder has made significant progress and the target set for the number of private rented sector properties sourced was met within the first six months of the scheme. Carlisle City Council led a further bid as the accountable body that extends the scheme until March 2021. The further funds will assist the Council in accessing accommodation for homeless households. The decision taken to receive the funding was made on 10/09/20.				
New implementation date	31/03/2021	Status	Outstanding	Implementation is in progress but the original target date has not been met.	

Audit title	Empty Homes	Audit year	2019/20	Priority	2
Recommendation	The Empty Homes Strategy definition of an empty home be reconsidered to better align with the work performed by the Empty Homes Officer.				
Initial management response	Definition to be revised on next review of the Strategy.				
Responsible Officer/s	Principal Specialist (People)	Original implementation date	31/12/2020	Revised implementation date(s)	
Latest Update	The Principal Specialist (People) stated that a report is due to be taken to a meeting of the Portfolio Holder's Housing and Planning Advisory Group to review the Housing Strategy Action Plan. As part of this, any remaining actions arising from the current Empty Homes Strategy will be absorbed into the Housing Strategy Action Plan. The revised definition will also go to this meeting so it can be incorporated into the Housing Strategy Action Plan.				
New implementation date	31/03/2021	Status	Outstanding	Implementation is in progress but the original target date has been put back.	

Audit title	Household Waste Collection	Audit year	2019/20	Priority	2
Recommendation	The health and safety plan that is currently in progress be completed and implemented to help ensure that all operatives are properly trained and receive suitable periodic refresher training and that all routes are subject to sensible risk analyses.				
Initial management response	<ol style="list-style-type: none"> 1. The Waste Policy, approved in early 2019, proposes a suspension of garden waste collections. This will help Street Scene staff complete outstanding training via increased staff availability. 2. Refresher training will be agreed in conjunction with the Councils Learning and Development Specialist. 3. Implementation Plan is being worked by Tribe Consultants to set out clear action plan of what is to be undertaken, by who and by when to allow the Council to monitor progress against these actions. 				
Responsible Officer/s	<ol style="list-style-type: none"> 1. Delivery and Commercial Officer (Delivery and Commercial Services)/ Principal Street scene Officer 2. Delivery and Commercial Officer (Delivery and Commercial Services)/ Principal Street scene Officer 3. Delivery and Commercial Officer (Delivery and Commercial Services) 	Original implementation date	<ol style="list-style-type: none"> 1. Mid December 2109 to end of February 2020 2. October 2019 3. July 2019 	Revised implementation date(s)	<ol style="list-style-type: none"> 1. 31/03/2021 2. 30/06/2020 3. 31/03/2021
Latest Update	The Delivery and Commercial Officer (Delivery and Commercial Services) advised that a winter training programme has been drafted for the green waste suspension period scheduled for January & February 2021 and that this will be completed subject to any impacts from the Covid pandemic.				
New implementation date	31/03/2021	Status	Outstanding	Implementation is in progress but the original target date has not been met.	

Audit title	Household Waste Collection	Audit year	2019/20	Priority	3
Recommendation	Current terms of reference for the Waste and Recycling Project Board be formulated and subject to periodic review and approval.				
Initial management response	Review at next Project Board meet with input from Simon and Sion.				
Responsible Officer/s	Operational Lead for Delivery and Commercial Services/ Principal Street scene Officer	Original implementation date	September 2019	Revised implementation date(s)	31/03/2021
Latest Update	The Delivery and Commercial Officer (Delivery and Commercial Services) advised that the recommendation is to be reconsidered in October 2020, with a new implementation date to be confirmed then.				
New implementation date		Status	Outstanding	Implementation is in progress but the original target date has not been met.	

Audit title	Risk Management	Audit year	2019/20	Priority	2
Recommendation	Risk Management training be mandatory for key organisational roles.				
Initial management response	A report will be prepared on publication of the appointed Customer Connect phase 1 & 2 roles and the publication of a complete organisational diagram. The report will present the key organisational roles – both strategic and operational - for mandatory training and strategic and operational risk register reviews. The mandatory status for training and reviews of risk registers allocated to key roles, if approved, will be reflected in member roles by committee services and staff roles by human resources and within risk documentation by Case Management.				
Responsible Officer/s	Customer Programme Board. Report actioned by Case Management. Staff documentation actioned by Lead Human Resources Specialist. Member documentation actioned by Legal, Governance and Democratic Services Specialist.	Original implementation date	Phase 1 and 2 roles and their position within a new organisational diagram will be published by 31/03/2020. Report actioned within 1 month of above. Relevant documentation updated within 3 months of above.	Revised implementation date(s)	
Latest Update	The Case Management Officer advised that mandatory status for risk management training will be explored with HR and Committee Services by 31/03/2021. Since lockdown began, risk management activity has focused on the review and updating of the Strategic and Operational Risk registers. This activity has seen very significant changes to both risk registers – as might be expected during COVID-19. Physical Operational Risk workshops were redesigned following lockdown. Workshops were reintroduced via Teams covering a number of steps in the risk management process and training for Operational Leads, where needed, at the start of each session. The format of the Strategic Risk Register was improved and a new Operational Risk Register developed in line with this new format. The Operational Risks continue to be identified and reviewed and take into account COVID-19. The Operational Risks are on track for annual reporting to Audit Committee.				
New implementation date	31/03/2021	Status	Outstanding	Implementation is in progress but the original target date has not been met.	

11. **Data Protection Compliance**

Audit title	Data Protection Compliance	Audit year	2019/20	Priority	2
Recommendation	It be ensured that all staff complete the GDPR E-learning so that compliance can be evidenced and assurance gained that all staff have adequate GDPR awareness.				
Initial management response	Agree with recommendations – linked to Information and Cyber Security Audit Recommendations - current e-learning package to be reviewed in light of new staff roles - notably Customer Contact and Case Management roles. Consult and seek recommendations from Corporate Learning & Development Team. Resources to be made available, and a training package to be developed and used as part of a regular cycle of training for staff.				
Responsible Officer/s	Performance, Innovation and Commissioning Specialist	Original implementation date	31/12/2020	Revised implementation date(s)	
Latest Update	The Performance, Innovation and Commissioning Specialist indicated that the recommendation is on track to meet the original implementation date.				
New implementation date		Status	Outstanding	Recommendation is on track to meet the original implementation date.	

Audit title	Data Protection Compliance	Audit year	2019/20	Priority	2
Recommendation	All contracts and agreements be reviewed and documented within the Record of Processing Activities to ensure adequate data sharing controls and GDPR clauses are in place.				
Initial management response	Agree with recommendation - all contracts and agreements be reviewed and documented within the Record of Processing Activities to ensure adequate data sharing controls and GDPR clauses are in place.				
Responsible Officer/s	Performance, Innovation and Commissioning Specialist	Original implementation date	30/09/2020	Revised implementation date(s)	
Latest Update	The Performance, Innovation and Commissioning Specialist indicated a new implementation date due to changes at operational leadership level and the continued transition of staff under the new Council Service Delivery structure.				
New implementation date	31/12/2020	Status	Outstanding	Implementation is in progress but the original target date has not been met.	

Audit title	Data Protection Compliance	Audit year	2019/20	Priority	2
Recommendation	All Council Privacy Notices be made available on the Council website and made more easily accessible such as by a link in the footer of each page.				
Initial management response	Agree with recommendation – working with Digital Specialist to ensure all Council Privacy Notices are made available on the Council website and made more easily accessible through a link in the footer of each page.				
Responsible Officer/s	Performance, Innovation and Commissioning Specialist	Original implementation date	30/06/2020	Revised implementation date(s)	
Latest Update	The Performance, Innovation and Commissioning Specialist indicated a new implementation date due to changes at operational leadership level and the continued transition of staff under the new Council Service Delivery structure.				
New implementation date	31/12/2020	Status	Outstanding	Implementation is in progress but the original target date has not been met.	

Audit title	Data Protection Compliance	Audit year	2019/20	Priority	2
Recommendation	It be ensured Data Protection Impact Assessments are conducted for all systems where the processing is likely to result in a high risk to the rights of individuals.				
Initial management response	Agree with recommendation – working with Council System Information Asset Owners to ensure DPIA's are conducted for all systems where the processing is likely to result in a high risk to the rights of individuals.				
Responsible Officer/s	Performance, Innovation and Commissioning Specialist	Original implementation date	30/09/2020	Revised implementation date(s)	
Latest Update	The Performance, Innovation and Commissioning Specialist indicated a new implementation date due to changes at operational leadership level and the continued transition of staff under the new Council Service Delivery structure.				
New implementation date	31/12/2020	Status	Outstanding	Implementation is in progress but the original target date has not been met.	

Audit title	Data Protection Compliance	Audit year	2019/20	Priority	3
Recommendation	It be ensured the Subject Access Request timescales are correctly documented across the Council's policies, procedures and associated guidance.				
Initial management response	Agree with recommendation to ensure Council's SAR timescales are correctly documented across the Council's policies, procedures and associated guidance.				
Responsible Officer/s	Performance, Innovation and Commissioning Specialist	Original implementation date	30/06/2020	Revised implementation date(s)	
Latest Update	The Performance, Innovation and Commissioning Specialist indicated a new implementation date due to changes at operational leadership level and the continued transition of staff under the new Council Service Delivery structure.				
New implementation date	31/12/2020	Status	Outstanding	Implementation is in progress but the original target date has not been met.	

12. **ICT Network Security and Cybercrime**

Audit title	ICT Network Security and Cybercrime	Audit year	2019/20	Priority	2
Recommendation	It be ensured that all ICT policies and procedures are subject to regular review, utilising document control, to provide a defined framework in which the Network Security and Cybercrime controls operate.				
Initial management response	The Performance, Innovation and Commissioning Specialist has agreed to lead on setting up regular reviews of IT policies and procedures.				
Responsible Officer/s	Infrastructure Lead	Original implementation date	31/10/2020	Revised implementation date(s)	
Latest Update	The Performance, Innovation and Commissioning Specialist indicated a new implementation date due to changes at operational leadership level and the continued transition of staff under the new Council Service Delivery structure.				
New implementation date	31/12/2020	Status	Outstanding	Implementation is in progress but the original target date has not been met.	

13. **Contract Management**

Audit title	Contract Management	Audit year	2019/20	Priority	1
Recommendation	A guidance procedure be developed to provide responsible officers with a framework for managing and monitoring their contracts.				
Initial management response	Noted that this is the case. Updated guidance procedure to be developed and implemented in line with recommendations 11 and 9.				
Responsible Officer/s	Finance Lead Specialist & Procurement Specialist	Original implementation date	31/05/2020	Revised implementation date(s)	31/12/2020
Latest Update	The Procurement Specialist indicated that the recommendation is on target to meet the revised implementation date.				
New implementation date		Status	Outstanding	Implementation is in progress but the original target date has not been met.	

Audit title	Contract Management	Audit year	2019/20	Priority	1
Recommendation	Training be developed and provided to staff who are responsible for the delivery of contracts and projects.				
Initial management response	Noted, training to be developed or sourced and rolled out to those responsible for the delivery of contracts.				
Responsible Officer/s	Finance Lead Specialist & Procurement Specialist	Original implementation date	31/05/2020	Revised implementation date(s)	31/12/2020
Latest Update	The Procurement Specialist indicated that the recommendation is on target to meet the revised implementation date.				
New implementation date		Status	Outstanding	Implementation is in progress but the original target date has not been met.	

Audit title	Contract Management	Audit year	2019/20	Priority	2
Recommendation	It be ensured that the Sustainable Commissioning and Procurement Framework currently being developed includes an action plan for robust monitoring processes, similar to the current strategy, to ensure continual improvement, value for money and to confirm that the Council's vision and objectives are being achieved.				
Initial management response	Full Procurement review including response to the action plan to be prepared to Cabinet and annually thereafter. Currently being reviewed by a Strategy Specialist.				
Responsible Officer/s	Finance Lead Specialist & Procurement Specialist	Original implementation date	July 2020	Revised implementation date(s)	February 2021
Latest Update	The Procurement Specialist indicated that the recommendation is on target to meet the revised implementation date.				
New implementation date		Status	Outstanding	Implementation is in progress but the original target date has not been met.	

Audit title	Contract Management	Audit year	2019/20	Priority	2
Recommendation	A central register of exemptions and waivers from the Council's approved commissioning and procurement rules be maintained.				
Initial management response	To develop and implement a central register of exemptions and waivers and ensure that training given in its use. Register used to generate Procurement Schedule update to Cabinet September 2020.				
Responsible Officer/s	Finance Lead Specialist & Procurement Specialist	Original implementation date	30/04/2020	Revised implementation date(s)	
Latest Update	The Procurement Specialist suggested a new implementation date.				
New implementation date	31/12/2020	Status	Outstanding	Implementation is in progress but the original target date has not been met.	

Audit title	Contract Management	Audit year	2019/20	Priority	2
Recommendation	The contract management and procedure documents be updated to reflect the new procurement and contract management processes within the Council.				
Initial management response	Noted and agreed. There is conflicting policy information which is leading to poor practice. Currently liaising with Strategy Specialist.				
Responsible Officer/s	Procurement Specialist	Original implementation date	31/12/2020	Revised implementation date(s)	
Latest Update	The Procurement Specialist indicated that implementation is in progress to meet the original target date.				
New implementation date		Status	Outstanding	Implementation is in progress to meet the original target date.	

Audit title	Contract Management	Audit year	2019/20	Priority	2
Recommendation	A standard format for all contract files be developed including a contract risk register.				
Initial management response	Noted and agreed. Although there are some template documents the portfolio needs to be increased and included in the training.				
Responsible Officer/s	Procurement Specialist	Original implementation date	31/05/2020	Revised implementation date(s)	31/12/2020
Latest Update	The Procurement Specialist indicated that the recommendation is on target to meet the revised implementation date.				
New implementation date		Status	Outstanding	Implementation is in progress but the original target date has not been met.	

Audit title	Contract Management	Audit year	2019/20	Priority	2
Recommendation	Formal minuted ongoing contract meetings be introduced to ensure the smooth implementation of the contract and the early identification of areas of concern that may impact on delivery.				
Initial management response	Training to include recording contactor encounters including minuted meetings and file notes of telephone conversations.				
Responsible Officer/s	Procurement Specialist	Original implementation date	31/05/2020	Revised implementation date(s)	31/12/2020
Latest Update	The Procurement Specialist indicated that the recommendation is on target to meet the revised implementation date.				
New implementation date		Status	Outstanding	Implementation is in progress but the original target date has not been met.	

Audit title	Contract Management	Audit year	2019/20	Priority	2
Recommendation	Post contract reviews be undertaken with any lessons learned fed back to relevant staff.				
Initial management response	This will be included in any training. This will include a review of major tender exercises and any lessons learnt from the process. Where KPI's have been set within the tender documents or contract setting up, check whether these have helped or hindered.				
Responsible Officer/s	Procurement Specialist	Original implementation date	30/06/2020	Revised implementation date(s)	31/12/2020
Latest Update	The Procurement Specialist indicated that the recommendation is on target to meet the revised implementation date.				
New implementation date		Status	Outstanding	Implementation is in progress but the original target date has not been met.	

Audit title	Contract Management	Audit year	2019/20	Priority	2
Recommendation	A central register of ongoing or recurring contracts be put in place to ensure a smooth and robust tender process.				
Initial management response	Fully agree. A point of frustration is that there is no generic contract register overseen by Procurement that reflects the Legal Contracts list and can feed into the procurement schedule. This is currently work in progress.				
Responsible Officer/s	Procurement Specialist	Original implementation date	31/03/2020	Revised implementation date(s)	31/12/2020
Latest Update	The Procurement Specialist indicated that the recommendation is on target to meet the revised implementation date.				
New implementation date		Status	Outstanding	Implementation is in progress but the original target date has not been met.	

Audit title	Contract Management	Audit year	2019/20	Priority	3
Recommendation	All projects be identified prior to the start of the new financial year.				
Initial management response	Finance directive, but with improved contracts register this can feed in and hopefully make the process more accurate.				
Responsible Officer/s	Finance Lead Specialist with Procurement Specialist	Original implementation date	31/03/2020	Revised implementation date(s)	31/12/2020
Latest Update	The Procurement Specialist indicated that the recommendation is on target to meet the revised implementation date.				
New implementation date		Status	Outstanding	Implementation is in progress but the original target date has not been met.	

Audit title	Contract Management	Audit year	2019/20	Priority	3
Recommendation	The Contracts Register be updated to include the contract and funding type and separating current and completed contracts.				
Initial management response	Agreed. Would also like to add a field of “contract review date” which gives plenty of time, not only to review the contract strategy but also to do the follow on procurement.				
Responsible Officer/s	Finance Lead Specialist / Procurement Specialist	Original implementation date	31/03/2020	Revised implementation date(s)	January 2021 for 2021/22 schedule/register
Latest Update	The Procurement Specialist indicated that the recommendation is on target to meet the revised implementation date.				
New implementation date		Status	Outstanding	Implementation is in progress but the original target date has not been met.	

Audit title	Contract Management	Audit year	2019/20	Priority	3
Recommendation	As part of the review of the Contracts Register, the fields with incorrect and missing data be updated to ensure that the register is complete.				
Initial management response	Agreed. See previous notes.				
Responsible Officer/s	Finance Lead Specialist / Procurement Specialist	Original implementation date	31/03/2020	Revised implementation date(s)	January 2021 for 2021/22 schedule/register
Latest Update	The Procurement Specialist indicated that the recommendation is on target to meet the revised implementation date.				
New implementation date		Status	Outstanding	Implementation is in progress but the original target date has not been met.	

Audit title	Contract Management	Audit year	2019/20	Priority	3
Recommendation	Risk registers be developed for each project / contract over an agreed de minimus value or reputational impact.				
Initial management response	Agreed. This should be a standard requirement within all procurements over de minimus.				
Responsible Officer/s	Procurement Specialist	Original implementation date	30/09/2020	Revised implementation date(s)	31/03/2021
Latest Update	The Procurement Specialist indicated that this is already within the toolkit and is a question of being part of the training. The recommendation is on target to meet the revised implementation date.				
New implementation date		Status	Outstanding	Implementation is in progress but the original target date has not been met.	

14. **Customer Connect**

Audit title	Customer Connect	Audit year	2019/20	Priority	2
Recommendation	Ownership of anticipated benefits arising from the Digital project be allocated and the benefits restated based upon the new plan and reported to the Steering Group.				
Initial management response	EsbAgile is one of many technology components which is part of the Digital and Customer Connect business cases. The original Digital Business Case was approved in April 2016 prior to Customer Connect but was always intended to be a key enabler for a major transformation programme such as Customer Connect. As part of the Customer Connect business case the requirements for technology were enhanced and as such the Digital Business case was in many ways consumed into Customer Connect. The Original Digital business case was jointly created with Eden DC and as such was governed by a joint digital board between SLDC and Eden DC. All decisions made in relation to delivering the Digital business case, including changes to timelines and budget requirements, were made by the joint digital board and as such agreed by both SLDC and Eden DC. Localised decisions are made in relation to the detailed configuration and exploitation of the technology which has been delivered. The Shared ICT Services Manager and the Scrum Master, will revisit the Digital Business Case and Customer Connect business case, identify the areas of technology which remain to be delivered, review against benefits required and align these into an updated forward delivery plan. The output of this work will be included in a wider report which is destined to be presented to the December Overview and Scrutiny Committee followed by Cabinet and Council on the overall programme deliverables, outcomes and benefits. This report will include all aspects of the programme and will highlight what is still left to achieve and how work will continue in the future. A new set of benefits will then be developed against future service improvements.				
Responsible Officer/s	Shared ICT Manager and SCRUM Master	Original implementation date	December 2020	Revised implementation date(s)	
Latest Update	The Head of Shared ICT and Lead for Digital Innovation, together with a Specialist, both indicated that the recommendation is expected to meet its original implementation date.				
New implementation date		Status	Outstanding	Implementation is in progress to meet the original target date.	

15. **Main Accounting Systems**

Audit title	Main Accounting Systems	Audit year	2019/20	Priority	3
Recommendation	A mechanism be developed and implemented that routinely captures budget holder feedback of the support provided by Finance staff in order to maintain and further improve the process.				
Initial management response	The implementation of a new budget monitoring approach moving towards a business partnering approach was introduced from Q1 2020/21. Feedback will be gathered from Q2 2020/21 onwards both from budget holders and the finance team. Budget monitoring process will evolve during the remainder of the financial year.				
Responsible Officer/s	Finance Lead Specialist	Original implementation date	30/09/2020	Revised implementation date(s)	
Latest Update	The Specialist (Finance) stated that due to the COVID-19 crisis and the Council's response to it, this work has been delayed. They are currently working up a programme of training and change for budget monitoring and, as part of this, will be seeking managers' views. This is expected to start over the winter and be completed by spring next year, so a revised deadline of 31/03/2021 seems appropriate.				
New implementation date	31/03/2021	Status	Outstanding	Implementation is in progress but the original target date has not been met.	

16. **Leisure Services**

Audit title	Leisure Services	Audit year	2019/20	Priority	3
Recommendation	The contract be amended to refer to GLL who have managed the service since 01/04/17.				
Initial management response	Currently, the contract is with Legal Services for amending following a number of changes that need to be implemented.				
Responsible Officer/s	Operational Lead Delivery and Commercial Services	Original implementation date	01/11/2020	Revised implementation date(s)	
Latest Update	The Operational Lead Delivery and Commercial Services advised that the contract is currently with Legal Services and is awaiting confirmation that this is in place.				
New implementation date		Status	Outstanding	The original target date has not been reached.	

Audit title	Leisure Services	Audit year	2019/20	Priority	3
Recommendation	A risk register for third party contracts be developed to reduce the risk of non-compliance of contract monitoring, as stated within the Contract Management Policy.				
Initial management response	Risk Register to be created for this contract.				
Responsible Officer/s	Operational Lead Delivery and Commercial Services	Original implementation date	01/09/2020	Revised implementation date(s)	
Latest Update	The Operational Lead Delivery and Commercial Services advised that this is to be completed following a review by KKP of the contract.				
New implementation date	31/12/2020	Status	Outstanding	Implementation is in progress but the original target date has not been met.	

17. The following recommendations have been implemented.

Audit Title	Recommendation	Priority	Responsible Officer	Due Date	Status
Lake Services – Moorings & Encroachments	Proper procedures be developed that evidence ownership of key areas of the service provision.	2	Legal, Governance and Democratic Services Specialist Finance Lead Specialist Operational Lead Delivery and Commercial Services	30/06/2020	Implemented
Use of Agency, Interim and Casual Workers	Controls be strengthened to ensure that casual workers may not successfully seek employee status, for example by virtue of the length of their working relationship with the Council, or by arguing their working hours and patterns can be shown to be set and regular.	2	HR Lead Specialist	30/09/2020	Implemented

Audit Title	Recommendation	Priority	Responsible Officer	Due Date	Status
Risk Management	As the Council is going through considerable change, Operational Risk Registers be reviewed and updated on a quarterly basis.	2	Actioned by members of Leadership Team. Facilitated by Case Management.	01/05/2020	Implemented
ICT Network Security and Cybercrime	It be ensured that signed Authorised User Agreements are obtained and kept on file for all members of staff.	2	Infrastructure Lead	07/09/2020	Implemented
ICT Network Security and Cybercrime	Encryption be applied to desktop computers to mitigate against the loss of data and subsequent potential reputation loss in the event of theft.	2	Infrastructure Lead	-	Implemented
ICT Network Security and Cybercrime	The local firewall be enabled on Desktop PCs to help to contain the spread of malware in the event a machine is compromised.	2	Infrastructure Lead	-	Implemented
ICT Network Security and Cybercrime	The blocking of the download of file types including, but not limited to, executables, installers, batch files and visual basic scripts be implemented.	2	Infrastructure Lead	-	Implemented
ICT Network Security and Cybercrime	It be ensured that mitigations are put in place if, due to unresolved issues, Windows 7 computers are still in operation at the Council once support for Windows 7 ends.	3	Infrastructure Lead	-	Implemented
ICT Network Security and Cybercrime	A Service Desk reference be added to the firewall rule changes log to allow rule changes to be followed back to the original request.	3	Infrastructure Lead	-	Implemented
ICT Network Security and Cybercrime	It be ensured that the Council continues to review the risk of applying critical updates outside of best practice against the risk of disruption to live servers.	3	Infrastructure Lead	-	Implemented
Contract Management	It be ensured that the new Procurement Manager involvement in the development of the new Sustainable Commissioning and Procurement Framework continues.	2	Procurement Specialist	-	Implemented
Contract Management	A Contract Management Group be established to oversee the delivery and performance management of contracts for the Council.	2	Procurement Specialist	-	Implemented

Audit Title	Recommendation	Priority	Responsible Officer	Due Date	Status
Contract Management	The Procurement Schedule be reviewed and updated to include a split between capital, revenue and grant funding; one off or recurring contracts; funding types; links to the relevant budget and Council objectives; and a unique identifying number for use throughout the process.	3	Procurement Specialist	-	Implemented
Main Accounting Systems	The monthly bank reconciliation be subject to independent and timely review by a senior member of the Finance Department.	2	Finance Lead Specialist	March 2020	Implemented
Main Accounting Systems	The quarterly payroll reconciliation be undertaken in a timely manner by a Specialist Finance Officer and subject to independent review.	2	Finance Lead Specialist	31/10/2020	Implemented
Leisure Services	Investigations be made to establish what KPIs were agreed between SLDC and Greenwich Leisure Ltd (GLL) as part of the contract agreement.	2	Operational Lead Delivery and Commercial Services	01/09/2020	Implemented
Leisure Services	It be ensured that an appropriate handover is undertaken prior to the current administrator's maternity leave.	3	Operational Lead Delivery and Commercial Services	01/05/2020	Implemented
Emergency Planning	It be ensured that review of the South Lakeland District Council Corporate Emergency Response Plan takes place on an annual basis.	3	Operational Lead Support Services	-	Implemented