



Internal Audit

FINAL

APPENDIX 3

South Lakeland District Council

Follow Up Review

2021/22

September 2021

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 September 2021.

Review	Year	Date Presented to Audit Committee
Follow-up – July 2021	2021/22	29/07/2021
Corporate Governance – Compliance with Local Code	2020/21	29/07/2021
Asset Management	2020/21	29/07/2021

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	13
Outstanding	33
Considered but not Implemented	-
Not Implemented	1

3. The key issue identified is that although there has been some slippage, most recently due to COVID-19, recommendations continue to be implemented. Of the 47 recommendations in this report, 28% have been implemented. Of the 33 recommendations that remain outstanding, 70% are due to slippage beyond the original implementation date and 30% are because the original implementation date has not yet arrived. Due to the reorganisation measures under the ongoing Local Government Reform, one recommendation is no longer applicable and therefore will not be implemented.

Scope and Limitations of the Review

4. 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.
5. 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.
6. 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

7. 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:	6 th September 2021
Date management responses rec'd:	7 th September 2021
Date final report issued:	7 th September 2021

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 – July 2021**

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 31/03/2021
Latest Update	The Operational Lead Delivery and Commercial Services advised that the recommendation remains on track to meet its implementation date.				
New implementation date	31/12/2021	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	For the previous follow-up report, the Principal Specialist (Health & Environment) had advised that the new implementation date remained on target to be met. No further update was provided for this report.				
New implementation date	31/10/2021	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 31/03/2021 31/12/2021
Latest Update	This work is in progress. Draft documentation regarding the Subsidy Control regime and compliance has been prepared and a workshop has been held with relevant officers to discuss principles/approach. It is anticipated that the documentation will be finalised and presented to CMT by 31 December 2021.				
New implementation date	31/12/2021	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 30/06/2021 30/11/2021
Latest Update	The Case Management Team Leader (Support Services) advised that further delays to the service redesign, notably due to the Local Government Reform, would suggest that the previously advised due date of 30/11/2021 will not now be met.				
New implementation date	31/01/2022	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	Performance, Innovation and Commissioning Specialist	Original implementation date	31/12/2019	Revised implementation date(s)	31/12/2020 30/06/2021
Latest Update	The Performance, Innovation and Commissioning Specialist advised that the recommendation remains on target to be implemented by its latest due date.				
New implementation date	30/10/2021	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	Performance, Innovation and Commissioning Specialist	Original implementation date	30/09/2019	Revised implementation date(s)	31/12/2020 30/06/2021
Latest Update	The Performance, Innovation and Commissioning Specialist advised that the recommendation remains on target to be implemented by its latest due date.				
New implementation date	30/10/2021	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	Performance, Innovation and Commissioning Specialist	Original implementation date	31/12/2019	Revised implementation date(s)	31/12/2020 30/06/2021
Latest Update	The Performance, Innovation and Commissioning Specialist advised that the recommendation remains on target to be implemented by its latest due date.				
New implementation date	30/10/2021	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)	30/06/2021
Latest Update	For the previous follow-up report, the Principal Specialist (People) stated that a review will be considered at a meeting of the Portfolio Holder's Housing and Planning Advisory Group on 14/10/2021. The Principal Specialist (People) was contacted to provide a further update for this report but no response was received.				
New implementation date	14/10/2021	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 30/06/2021 30/09/2021
Latest Update	The Delivery and Commercial Officer (Delivery and Commercial Services) advised that this has not been re-implemented due to the Covid priorities. There will be a review of this situation when more information is available about Local Government Reform and the requirements of the national waste consultation.				
New implementation date	30/06/2022	Status	Outstanding	A new implementation date has been proposed.	

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)	31/12/2021
Latest Update	The Performance, Innovation and Commissioning Specialist advised that the recommendation remains on target to be implemented by its latest due 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	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 31/12/2021
Latest Update	The Procurement Specialist indicated that work is resuming shortly on the Procurement regulations and guidance should be complete with three months of these being issued.				
New implementation date	31/01/2022	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)	31/05/2021 31/10/2021
Latest Update	The Procurement Specialist indicated that it is to be realised within three months of the updated Procurement Procedure Rules.				
New implementation date	31/01/2022	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 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 31/05/2021
Latest Update	The Procurement Specialist indicated that that there has been a request for documentation and a pack is being trialled. Evidence was provided as to the progress of this recommendation. The recommendation remains on track to meet its new implementation date of 31/10/2021.				
New implementation date	31/10/2021	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 restated that the new implementation date still stands.				
New implementation date	28/02/2022	Status	Outstanding	Implementation is in progress but the original target date has not been met.	

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)	31/03/2022
Latest Update	The Operational Lead – Customer and Locality Services advised that due to the Local Government Reform measures the Customer Connect programme will not continue in its current form. As a result, the recommendation no longer remains applicable and will not be implemented.				
New implementation date		Status	Not implemented	The recommendation is no longer applicable.	

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)	31/05/2021
Latest Update	The Finance Lead Specialist provided a timetable for the upcoming programme of training. This includes training on budgets and monitoring to be held in September 2021.				
New implementation date	30/09/2021	Status	Outstanding	Implementation is in progress but the original target date has not been met.	

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)	30/06/2021
Latest Update	The Operational Lead Delivery and Commercial Services advised that the recommendation remains on track to meet its implementation date.				
New implementation date	30/09/2021	Status	Outstanding	Implementation is in progress but the original target date has not been met.	

Audit title	Payroll	Audit year	2020/21	Priority	3
Recommendation	Only up-to-date payroll-related policies and guidance be published on the Council's website. A specific review date and document owner be stated within each document.				
Initial management response	HR have a list and review dates of all policies.				
Responsible Officer/s	Human Resources Specialist	Original implementation date	31/12/2021	Revised implementation date(s)	
Latest Update	The Human Resources Specialist stated that all policies are being reviewed and updated where needed. The Human Resources Specialist was contacted to provide an update for this report but no response was received. From a review of the Council's website it was confirmed that the recommendation has not yet been implemented. The original implementation date has not yet arrived.				
New implementation date		Status	Outstanding	Implementation is in progress to meet the original target date.	

Audit title	Insurance	Audit year	2020/21	Priority	3
Recommendation	The Annual Renewal of Insurance Contract Procedure be updated.				
Initial management response	Accepted, work will be undertaken in the summer to update policy and procedures.				
Responsible Officer/s	Finance Specialist and Deputy S151 Officer	Original implementation date	30/09/2021	Revised implementation date(s)	
Latest Update	The Finance Specialist and Deputy S151 Officer was contacted to request an update for this report but no response was received.				
New implementation date		Status	Outstanding	The recommendations remains on track to meet its original implementation date.	

Audit title	Bereavement Services	Audit year	2020/21	Priority	2
Recommendation	Existing procedures be amended to include a document date, owner and review period. A full suite of procedures be developed, maintained and tested, sufficient to facilitate effective succession planning.				
Initial management response	Existing procedures will be amended to include a document date, owner and review period. Development of a full suite of procedures will be executed by existing staff supported by Bereavement Services Specialist when recruited.				
Responsible Officer/s	Kayleigh Stockton and Bereavement Specialist (to be recruited)	Original implementation date	01/09/2021	Revised implementation date(s)	31/12/2021
Latest Update	The Operational Lead – People, Welfare and Income Maximisation advised that the recommendation remains on track to be implemented by the stated date.				
New implementation date		Status	Outstanding	Implementation is in progress but the original target date will not been met.	

Audit title	Bereavement Services	Audit year	2020/21	Priority	2
Recommendation	An overall schedule be maintained within Bereavement Services to properly plan and execute periodic site visits to each cemetery and graveyard, to inform any additional identified maintenance work, and to serve as further confirmation of the completion of the identified work.				
Initial management response	Schedule to be developed along with a checklist of criteria to be assessed for maintenance works on an annual basis. Confirmation to be obtained and recorded against the checklist of the completion of any works required/carried out.				
Responsible Officer/s	Vicky McDonald/ Bereavement Services Specialist	Original implementation date	01/09/2021	Revised implementation date(s)	01/12/2021
Latest Update	The Operational Lead – People, Welfare and Income Maximisation advised that all sites now visited a least once per month to check on any requests outstanding and check quality of work as well as check the overall site quality etc. and identify any proactive works needed. All works needed are now recorded on a ‘maintenance of cemeteries tracker’ spreadsheet temporarily until digital form on ESB (which is in development) has been completed and is available for use (expected by 01/12/2021). This will form the basis of a documented record of appropriate checks completed. Bereavement Specialist is in regular communication with Continental Landscapes. Timescale for completion of ESB document has been delayed whilst the focus has been on developing a memorial safety policy which was approved by Cabinet on 01/09/2021 which needed to take priority.				
New implementation date		Status	Outstanding	Implementation is in progress but the original target date has not been met.	

Audit title	Creditor Payments	Audit year	2020/21	Priority	3
Recommendation	A detailed Financial Scheme of Delegation table be included in the Financial Procedures.				
Initial management response	Authorisation limits are currently set within the Integra system so when POs are raised they are sent to the authoriser with the relevant limit. We are currently developing a self-serve SharePoint page incorporating easy to use guidance and access to a Crystal Report detailing all authorisers and their limits. The finance procedures will be updated to reference the information on SharePoint.				
Responsible Officer/s	Specialist (Finance), Finance Lead Specialist	Original implementation date	30/06/2021	Revised implementation date(s)	30/09/2021
Latest Update	The Specialist (Finance) advised that the recommendation remains on target to meet its current implementation date.				
New implementation date		Status	Outstanding	Implementation is in progress but the original target date has not been met.	

Audit title	Creditor Payments	Audit year	2020/21	Priority	3
Recommendation	The Financial Procedures document be updated to include references to the Government's Prompt Payment Code and any other regulations relating to the prompt settlement of invoices.				
Initial management response	A link to the Government's Prompt Payment Code will be added to the Finance self-serve SharePoint page, again with reference to this added into the finance procedure rules.				
Responsible Officer/s	Specialist (Finance), Finance Lead Specialist	Original implementation date	30/06/2021	Revised implementation date(s)	30/09/2021
Latest Update	The Specialist (Finance) advised that the recommendation remains on target to meet its current implementation date.				
New implementation date		Status	Outstanding	Implementation is in progress but the original target date has not been met.	

Audit title	Disabled Facilities Grants	Audit year	2020/21	Priority	2
Recommendation	A review of the Constitution be completed to clarify procurement rules applicable to DFGs.				
Initial management response	The Council carries out a continual review of its constitution. At the 23rd February 2021 Council meeting it was agreed that a constitutional working group was established comprising of the Party Leaders and Portfolio Holder. The Monitoring Officer is currently reviewing the procurement rules and contract procedure rules with the Leadership Team and other officers. This piece of work forms part of this review. Proposals will be presented to Leadership team, Constitutional Working Group and finally to the Council meeting.				
Responsible Officer/s	Lead Specialist – Legal Governance, Democracy (Monitoring Officer)	Original implementation date	01/07/2021	Revised implementation date(s)	31/10/2021
Latest Update	We have consulted Leadership Team and officers on the Contract Procedure Rules. Feedback has been collated and will be presented to the CMT and to the Constitutional Working Group followed by Council in September/October 2021.				
New implementation date	31/10/2021	Status	Outstanding	Implementation is in progress but the original target date has not been met.	

Audit title	Disabled Facilities Grants	Audit year	2020/21	Priority	3
Recommendation	The Disabled Facilities Grant Policy be reviewed in accordance with its stated review cycle.				
Initial management response	The Disabled Facilities Grant Policy will be reviewed in 2021 to 2022. This will include a consultation period before the revised Policy goes through the relevant approval process.				
Responsible Officer/s	Amanda Pharaoh (Specialist – Housing)	Original implementation date	31/03/2022	Revised implementation date(s)	
Latest Update	The Specialist – Housing reconfirmed that the recommendation remains on target to meet the original implementation date.				
New implementation date		Status	Outstanding	The recommendations remains on track to meet its original implementation date.	

Audit title	Disabled Facilities Grants	Audit year	2020/21	Priority	3
Recommendation	The Disabled Facilities Grant Policy be enhanced to include: its link to Council priorities; and more explicit service standards.				
Initial management response	The Disabled Facilities Grant Policy will be reviewed in 2021 to 2022. This will include a consultation period before the revised Policy goes through the relevant approval process.				
Responsible Officer/s	Amanda Pharaoh (Specialist – Housing)	Original implementation date	31/03/2022	Revised implementation date(s)	
Latest Update	The Specialist – Housing reconfirmed that the recommendation remains on target to meet the original implementation date.				
New implementation date		Status	Outstanding	The recommendations remains on track to meet its original implementation date.	

Audit title	Disabled Facilities Grants	Audit year	2020/21	Priority	3
Recommendation	The Disabled Facilities Grant Procedure be updated to reflect the current structure and responsibilities.				
Initial management response	The Procedure will be reviewed along with the Policy in 2021 to 2022. This will then reflect the current structure and responsibilities.				
Responsible Officer/s	David Bradley (Specialist – Housing Standards)	Original implementation date	31/03/2022	Revised implementation date(s)	
Latest Update	The Specialist – Housing reconfirmed that the recommendation remains on target to meet the original implementation date.				
New implementation date		Status	Outstanding	The original implementation date has not yet arrived.	

Audit title	Disabled Facilities Grants	Audit year	2020/21	Priority	3
Recommendation	Applicants be required to confirm in writing their understanding that for any works to be carried out the two contracting parties are the applicant and the contractor.				
Initial management response	This will be picked up during the review of the Policy and Procedures in 2021 to 2022.				
Responsible Officer/s	David Bradley (Specialist – Housing Standards)	Original implementation date	31/03/2022	Revised implementation date(s)	
Latest Update	The Specialist – Housing reconfirmed that the recommendation remains on target to meet the original implementation date.				
New implementation date		Status	Outstanding	The original implementation date has not yet arrived.	

Audit title	NNDR	Audit year	2020/21	Priority	2
Recommendation	A review of resources be undertaken and an action plan be developed to address the backlog of work and to ensure that there are adequate resources going forward.				
Initial management response	A detailed analysis of workload and performance rates over the last 18 months is currently being prepared which will be used to form the basis of any recommendations to produce an action plan and increase resources to reduce the current backlog. Considerations are currently being made to extend an existing temporary resource, and employ further short term assistance to focus on the backlog clearance.				
Responsible Officer/s	Operational Lead – Case Management	Original implementation date	30/06/2021	Revised implementation date(s)	31/03/2022
Latest Update	The Operational Lead – Case Management advised that the vacant Specialist position has now been filled and the resource is in place. The existing Case Management temporary resource has been extended until November 2021. The additional temporary COVID post extended for a further 12 months to August 2022. The backlog is reducing slowly despite the annual leave increase over July and August. The recommendation remains on track 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	Council Tax	Audit year	2020/21	Priority	2
Recommendation	A review of resources be undertaken and an action plan be developed to address the backlog of work and to ensure that there are adequate resources going forward.				
Initial management response	A detailed analysis of workload and performance rates over the last 18 months is currently being prepared which will be used to form the basis of any recommendations to produce an action plan and increase resources to reduce the current backlog. Considerations are currently being made to extend an existing temporary resource, and employ further short term assistance to focus on the backlog clearance.				
Responsible Officer/s	Operational Lead – Case Management	Original implementation date	30/06/2021	Revised implementation date(s)	31/03/2022
Latest Update	The Operational Lead – Case Management advised that the vacant Specialist position has now been filled and the resource is in place. The existing Case Management temporary resource has been extended until November 2021. The additional temporary COVID post extended for a further 12 months to August 2022. The backlog is reducing slowly despite the annual leave increase over July and August. The recommendation remains on track 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	Lake Services	Audit year	2020/21	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 Council's leadership team are currently looking at digital prioritisation and Operational Lead for Delivery and Commercial services to feed this into process to stress the need for the new upgraded system.				
Responsible Officer/s	Operational Lead for Delivery and Commercial Services	Original implementation date	31/03/2022	Revised implementation date(s)	
Latest Update	The Operational Lead for Delivery and Commercial Services advised that the original implementation date remains on target.				
New implementation date		Status	Outstanding	The original implementation date has not yet arrived.	

11. **Asset Management**

Audit title	Asset Management	Audit year	2020/21	Priority	2
Recommendation	A set of procedure notes be prepared which cover all aspects of fixed asset management including the following: accounting and depreciation; maintenance and repairs; security and insurance; investment and budgeting; verification and audit; valuation and impairment cycles by asset class; and asset management systems used.				
Initial management response	Agreed. A multi-disciplinary group has meet to discuss the practicality of this. Initially the procedure notes will concentrate on the higher-value assets, with some assets prepared later (e.g. museum collection).				
Responsible Officer/s	Finance Lead Specialist supported by IT Shared Service Manager and Operational Lead for Delivery and Commercial Services	Original implementation date	31/12/2021	Revised implementation date(s)	
Latest Update	The Finance Lead Specialist was contacted to request an update for this report but no response was received. The original implementation date has not yet arrived.				
New implementation date		Status	Outstanding	The original implementation date has not yet arrived.	

Audit title	Asset Management	Audit year	2020/21	Priority	2
Recommendation	A formal annual asset verification program be implemented and documented whereby all assets, which are not captured by valuation and impairment reviews, are subject to verification.				
Initial management response	The multi-disciplinary group also addressed this issue. Some assets are verified annually as part of the service delivery e.g. vehicles and plant which require regular service / tax / MOTs. Tagging of assets will be reviewed: all vehicles already have trackers. Other assets will be reviewed to identify the most appropriate method to verify existence and location on a regular basis.				
Responsible Officer/s	Finance Lead Specialist supported by IT Shared Service Manager and Operational Lead for Delivery and Commercial Services	Original implementation date	31/12/2021	Revised implementation date(s)	
Latest Update	The Finance Lead Specialist was contacted to request an update for this report but no response was received. The original implementation date has not yet arrived.				
New implementation date		Status	Outstanding	The original implementation date has not yet arrived.	

Audit title	Asset Management	Audit year	2020/21	Priority	2
Recommendation	Assets, which are not subject to a valuation exercise and depreciation, such as Held for Sale, Investment Properties and Heritage Assets, be subject to quarterly reconciliations. The reconciliation should also consider the Assets under Construction account.				
Initial management response	Investment Properties are revalued annually as required by proper accounting practices. Assets Held for Sale are also reviewed annually as this classification is only applicable if it is expected that the sale will occur in the next financial year. Assets under Construction are reviewed annually to ensure this category is appropriate: I cannot recall an occasion when an asset was under construction across 2 financial year-ends. There are 2 categories of asset where valuations are only carried out every 4-years and no depreciation is charged: Heritage Assets and Community Assets. There are seldom changes to the assets held in these categories except to add play areas acquired under s106 agreements. Bearing these points in mind the quarterly capital monitoring will consider if there are any changes to these categories but a full quarterly reconciliation seems excessive.				
Responsible Officer/s	Specialist (Finance)	Original implementation date	30/09/2021	Revised implementation date(s)	14/12/2021
Latest Update	The Specialist (Finance) advised that this will be implemented for Q2 reporting; the report for which will be prepared during October. Q1 reporting went to Cabinet at its meeting on 1st September 2021 and will go to Council on 5th October 2021. The subsequent meeting of Council is scheduled for 14th December 2021, at which it is anticipated that the Corporate Financial Update Quarter 2, 2021/22 report will be presented.				
New implementation date		Status	Outstanding	Implementation is in progress but the original target date will not met.	

12. The following recommendations have been implemented.

Audit Title	Recommendation	Priority	Responsible Officer	Due Date
Risk Management	Risk Management training be mandatory for key organisational roles.	2	Customer Connect 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.	31/07/2021
Contract Management	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.	2	Finance Specialist & Procurement Specialist	31/07/2021
Bereavement Services	In respect of sales from Bereavement Services, data entered into the finance system be sufficient to provide a proper audit trail to the relevant supporting information.	2	Vicky McDonald/ Kayleigh Stockton	01/08/2021
Payroll	The current establishment be reflected in the 'Exceptional Effort / Merit / Qualification and/or Examination Success' form.	3	Human Resources Specialist	31/12/2021

Audit Title	Recommendation	Priority	Responsible Officer	Due Date
Creditor Payments	Creditor Turnover (Creditor Days) ratio and other relevant metrics be included as part of the financial KPI reporting framework.	3	Specialist (Finance), Finance Case Management Team Leader (Support Services), Finance Specialist and Deputy S151 Officer	31/07/2021
Corporate Governance – Compliance with Local Code	Local arrangement A1 of the Local Code of Governance be changed to "make a Chief Executive (or equivalent) responsible and accountable to the authority for all aspects of operational management" as appropriate.	2	Finance Specialist Lead	30/04/2021
Corporate Governance – Compliance with Local Code	Local arrangement B8 (consider those institutional stakeholders to whom we are accountable and assess the effectiveness of the relationships and any changes required) from the 2018 version of the Local Code of Governance but omitted from the 2019 version be reinstated if it remains applicable.	2	Finance Specialist Lead	30/04/2021
Corporate Governance – Compliance with Local Code	The mapping of the Guidance behaviours and actions that demonstrate good governance in practice be mapped only to sub-principles in the Local Code that pertain to the same principle to which the behaviour and action relate.	2	Finance Specialist Lead	31/05/2021
Corporate Governance – Compliance with Local Code	A self-assessment response be completed for each of the 235 'examples of systems, processes, documentation and other evidence demonstrating compliance' provided in Chapter Five of the CIPFA/SOLACE Guidance.	2	Finance Specialist Lead	31/05/2021
Corporate Governance – Compliance with Local Code	The evidence provided in the self-assessment spreadsheet in support of the self-assessment score be fully completed, directly relevant and referenced to current documentation, via working hyperlinks as appropriate.	2	Finance Specialist Lead	31/05/2021

Audit Title	Recommendation	Priority	Responsible Officer	Due Date
Corporate Governance – Compliance with Local Code	In line with the CIPFA Bulletin 'Application of the Good Governance Framework 2020/21', the Local Code of Governance be updated to include identifying how governance is operating during the current year, including changes made to adapt to the impact of Covid-19. Where changes have been made to ensure that the Council can meet the Principles of the CIPFA Financial Management Code 2019, appropriate updates be made to the Local Code for current and future years.	2	Finance Specialist Lead	31/05/2021
Corporate Governance – Compliance with Local Code	<p>When determining its self-assessment responses in accordance with Chapter Five of Delivering Good Governance in Local Government Guidance Notes, the line be included for:</p> <ul style="list-style-type: none"> • Principle D; • Sub-principle; • Planning interventions; • Behaviours and actions that demonstrate good governance in practice; • Informing medium and long term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy; and • Examples of systems, processes, documentation and other evidence demonstrating compliance: Corporate Plans. 	3	Finance Specialist Lead	31/05/2021
Corporate Governance – Compliance with Local Code	A Responsible Officer be included for each of the 235 'examples of systems, processes, documentation and other evidence demonstrating compliance' provided in Chapter Five of the CIPFA/SOLACE Guidance.	3	Finance Specialist Lead	31/05/2021