



## City of Lincoln Council

Appendix A

Progress Report – June 2018



---

<b>Introduction</b>	<b>1</b>
<b>Key Messages</b>	<b>2-4</b>
<b>Internal Audit Work Completed March – May</b>	<b>5</b>
<b>Other Significant Work</b>	<b>6</b>
<b>Audits in Progress</b>	<b>7</b>
<b>Audit Recommendations - High Priority</b>	<b>8</b>
<b>Performance Information</b>	<b>9</b>
<b>Other Matters of Interest</b>	<b>10</b>
<b>Appendices</b>	
Appendix 1 – Details of Limited or Low Assurance Reports	
Appendix 2 – Internal Audit Plan & Schedule 2018/19	
Appendix 3 – Assurance Definitions	
Appendix 4 – Performance Details	
Appendix 5 – Recommendations Overdue & Not Yet Due	

**Contact Details:**

John Scott  
Audit Manager



***For all your assurance needs***

City Hall, Beaumont Fee, Lincoln, LN1 1DD

☎: 01522 553692    ✉ [john.scott@lincoln.gov.uk](mailto:john.scott@lincoln.gov.uk)

## Introduction

---

1. The purpose of this report is to:
  - Advise of progress made with the Audit Plan
  - Provide details of the audit work undertaken since the last progress report.
  - Provide details of the current position with agreed management actions in respect of previously issued reports
  - Raise any other matters that may be relevant to the Audit Committee role

## Key Messages

---

2. The 2017/18 audit plan is virtually complete. At the 31<sup>st</sup> March 2018 all but five audits had been completed; final reports have since been issued for three and the other two are nearing completion. These are Planned Maintenance and Council Tax which are at draft report stage.
3. The 2018/19 audit plan is attached at Appendix 2, and shows progress to date.
4. Details on High priority recommendations can be found in Para 7 and for Medium priority recommendations see Appendix 5.

## Internal Audit Reports Completed March - May

---

5. The following final reports have been issued since the last progress report;

<b>High Assurance</b>	<b>Substantial Assurance</b>	<b>Limited Assurance</b>	<b>Low Assurance</b>	<b>Consultancy</b>
None	Vision 2020 Procurement	Licensing Houses Multiple Occupation	of in None	None

**Note:** The Audit Committee should note that the assurance expressed is at the time of issue of the report but before the full implementation of the agreed management action plan. Definitions levels are shown in Appendix 4.

Below are summaries of the audit reports issued.

## Vision 2020 – Substantial Assurance

The City Council's Vision 2020 is its strategic plan for the period 2017 to 2020 and sets out four strategic priorities, which are underpinned by a strand to provide high performing services. A three year programme of projects has been developed to deliver the aspirations that underpin these four priorities. CMT Champions have been identified for each strategic priority and quarterly reporting takes place through the Performance Scrutiny Committee for one strategic priority at a time. CMT receive update reports across all areas monthly and quarterly. A governance structure has been set up through CMT to manage the programme.

This review sought to provide assurance on the delivery and monitoring arrangement for the Vision 2020 programme, and considered the following risk:

- The Vision 2020 programme and projects (including capacity & financial resources) are not managed effectively

To review this risk we examined the following:

- Governance arrangements - decision making, reporting structures, roles and responsibilities, prioritisation of projects, risk management
- Compliance with Lincoln Project Management Model
- Monitoring performance & delivery of the overall programme
- Resource Management (capacity and financial)
- Assurance mechanisms in place for CMT and the Council

Our review provides substantial assurance that the Council has effective mechanisms in place for managing the Vision 2020 programme. We have given substantial assurance based on the management of risk and application of controls being effective.

The Council's external peer review also provided good feedback on the Vision 2020 process identifying that the programme was a good base for empowering managers to deliver.

As year one of the programme draws to a close it has been acknowledged that projects were front loaded into this year which has put some pressure on resources. CMT have recognised this and are holding workshops to smooth out delivery and review monitoring arrangements as part of developing year 2 delivery.

The Council has developed a governance structure for delivery and monitoring of the programme and experience of operation in year one will provide a good basis for moving forward into year 2. We were of the opinion that the joint meeting for High Performing Services (HPS) and Towards Financial Sustainability (TFS) presented a large volume of different information for the group to manage in one meeting. This has been recognised and plans are in place to split the two groups, linking HPS to performance and TFS to finance.

There are currently a number of changes taking place which will have an effect on the delivery of strategic projects:

- The update and role out of the Lincoln Project Management Model (LPMM) from March 2018
- The reconfiguration of the Strategic Plan Implementation Team (SPIT). The SPIT group have not met on a regular basis since July 2017, it is planned that the roles are primarily being devolved to project sponsors with the addition of a new Capital Programme Group to review the overall capital programme.

We have made recommendations to strengthen controls which include:

- Reviewing financial information reported to CMT on the programme
- Reviewing performance milestones for projects which support partners
- Improving the development and approval of project briefs as part of the LPMM
- Recording more clearly follow up of agreed actions from the Vision Group meetings

## **Procurement – Substantial Assurance**

The Procurement Service is going through a period of change as they prepare for withdrawal from Procurement Lincolnshire, their external support resource, from 1st April 2018. Preparation has included a comprehensive review of policies and strategies, approval of updated Contract Procedure Rules in February 2017, with a further update planned after 1st April 2018.

Management have identified in the combined assurance report that they are exploring how to obtain specialist advice if needed and to encourage service areas to seek timely procurement advice to ensure the correct processes are followed.

The Procurement Service continues to provide support & advice to Directorates in following the correct procurement practices which in turn assists Directorates in demonstrating and achieving value for money.

The aim of the review was to provide assurance on:

- Compliance with Contract Procedure Rules in Directorates for procurements between £25k and up to European thresholds (OJEU), which are for goods, supplies and services £164,176 and for works £4,104,384
- Maintenance of the contract register to provide comprehensive information on each contract and support the planning process for re-tendering

Our review provides substantial assurance that the Council has effective mechanisms in place to manage procurements valued between £25k and the thresholds for undertaking a procurement based on European legislation (OJEU).

It should be noted that there is a lower volume of procurement at the financial level of contracts reviewed due to the use of framework contracts. Suppliers on framework contracts have already been subject to a level of competitive process which reduces quotation requirements for the Council. Further audit work is planned in 2018/19 on the use of framework contracts and procurements above the OJEU levels

Some of the current development work provided by the Client Procurement Officer (CPO) covers:

- Bespoke and ad hoc training
- Implementing and developing measures for the new Social Value Policy and providing an annual assessment to Policy Scrutiny Committee
- Monitoring the update of the electronic contract register to provide better proactive planning of procurements
- Support to service areas in managing their procurements and following the correct processes
- Developing guidance to support continued operations in the absence of the CPO
- The CPO is moving forward the withdrawal from Procurement Lincolnshire based on an exit strategy and is preparing the processes required post 1st April 2018.

In addition over the next five years all of the high profile major contracts will be coming up for renewal and there is the potential for mega projects such as the Western Growth Corridor to move forward requiring procurement input. All of these requirements have the potential to put additional pressure on the procurement resource.

We have made recommendations to strengthen controls which include:

- Communicating, promoting and training on the Contract Procedure Rules issued in February 2017 and the new procurement policies including Social Value approved November 2017
- Updating and maintaining of the contract register. This is a key recommendation which will allow notification of contract renewal dates and will help to ensure sufficient resources are available to effectively re-new existing contracts
- Considering targeted issue of Contract Procedure Rules and new Procurement Policies to Assistant Directors
- Reviewing the current process of requiring an order for contracts and update procedure rules if necessary
- Clarifying for service areas what supporting information must be supplied or is optional from suppliers when returning their request for quotation submissions
- Reminding service areas that contracts over £75k must be lodged with Legal Services

### **Licensing of Houses in Multiple Occupation – Limited Assurance**

The Housing Act 2004 (Part 2) places a duty on the Council to license large Houses in Multiple Occupation (HMOs). Large HMOs are defined as properties which are at least 3 storeys high, rented to 5 or more people who form more than 1 household and who share toilet, bathroom or kitchen facilities. Lincoln currently has approximately 300 of these properties.

New legislation has been approved (effective from 1 October 2018) that removes the 3 storey requirement, which could bring a further 800 properties under the licensing regime.

Delivering Quality Housing and improving housing conditions is one of the strands of the Council's Vision 2020 Action Plan and the HMO licensing process, coupled with the Council's own Trusted Landlord scheme, helps to deliver this.

We are only able to award Limited Assurance based on our findings. The licensing process complies with the Housing Act 2004 but some key aspects of the process do not operate consistently. The implications of not ensuring that all licensable HMO's are safe to live in are potentially very serious, as is a failure to act on category 1 hazards in the wider private rented sector.

The key weak areas (for which High priority recommendations have been made) are;

- The age of Criminal Record Disclosure Certificates provided with applications. The Council's HMO Scheme states that they should be up to two months old but in reality they are being accepted up to 12-18 months old. The Council's requirements should be complied with, or revised if they are no longer considered appropriate.
- Schedule 3 condition monitoring. If conditions are made as part of granting a licence a timeframe is set for their completion (usually three or four months). A new condition monitoring protocol has recently been set up but a consistent process was not in place for the previous eighteen months / two years. Some work needs to be done to determine what hasn't been completed within this period and then take the appropriate enforcement action.
- Gas certificate renewal. Once a licence is granted it is a mandatory condition that a new certificate is provided every twelve months. A reminder process is in place but testing of five licences found that in three cases new gas certificates had not been obtained.
- Relevance of the Enforcement Policy. The Enforcement Policy is dated 2005 and does not reflect procedural and legislative changes. There has been an outstanding audit recommendation to update it since an Empty Homes audit in 2013/14. Work has started and it is expected to be completed by the end of September
- Hazard monitoring. When a hazard is found it is categorised as 1 or 2 and work is done with the owner or agent to rectify it. Hazards and their categories are not recorded and there is no straightforward way to monitor and report on hazard rectification.

See Appendix 1 for full details.

## Other Significant Work

---

### 6. Updates on other significant work;

#### **Bus Station**

An advice piece of work has been undertaken which found that the facility is operating well. No recommendations were made.

#### **Annual Internal Audit Report**

The Annual IA Report has been approved by CMT and is presented to this Committee in a separate report.

## **Housing Benefit Subsidy Testing**

Detailed testing has started.

## **Boultham Park Restoration Project**

Work started on this towards the end of 2017/18 and has been put on hold until the final account has been produced. A summary of the report will be presented to this Committee when the work is completed.

## **Governance Assessment**

A governance assessment has been completed to inform the Annual Internal Audit Report. No issues were identified.

## **Audits in Progress**

---

7. The following audits are in progress;

2017/18;

- Planned Maintenance – report being agreed
- Council Tax – report being agreed

2018/19:

- Strategic Risk Mitigation – in progress
- Culture & Ethics – being prepared
- Sincil Bank Regeneration – being prepared
- Transport Hub (final account) – being prepared
- Housing Benefit testing

## **Audit Recommendations**

---

8. There is a formal process for tracking Internal Audit recommendations; they are recorded on the Council's performance management system, IMPS, and management can record progress updates at any time. Performance DMT's and Portfolio Holders monitor progress quarterly. Prior to each Audit committee Internal Audit will obtain a status report and review progress with management.

Internal Audit undertake formal follow up on all High priority recommendations and all recommendations made in audits where the overall assurance is Limited or Low; evidence of implementation will be requested and examined.

The table below shows all High priority recommendations, completed, due, overdue and not yet due.



Audit	Agreed action & original target date	Revised target date	Progress since previous Committee
<b>2015/16</b>			
ICT Mobile Devices (Substantial)  PH CMCS AD SD (CX)	Audit of ICT assets (linked to corporate inventory check) (Mar 16)	Sept 18  <i>Prev June 18</i>	Extended 6 mths The inventory check is underway
<b>2016/17</b>			
Information Governance – Revenues & Benefits (Limited)  PH CMCS AD SD (CX)	Finalise the COLC-NKDC-WLDC ICT service level agreement (Jun 17, Dec 17)  All staff to undertake DP e-learning (Apr 17)	Sep 18 ( <i>Prev Jun18</i> )  July 18 ( <i>Prev May 18</i> )	Ongoing; linked to shared costs review  Extended At 81% in May.
Choice Based Lettings (Low)  PH Housing AD H (Hous)	Detailed annual reviews and additional bid cycle testing	Jun 18	Commenced  <b>Update to Follow</b>
<b>2017/18</b>			
Stores  PH Housing AD H (Hous)	Make a decision on the resourcing of an upgrade to the Servitor system (April 18)	Jun 18  <i>Prev Apr 18</i>	Under review
Customer Experience Strategy  PH CMCS AD SD (CX)	Project planning and monitoring processes (February 18)  Review how efficiencies (time saved) can be captured and reported (Apr 18)	Apr 18  Apr 18	Extended 1 mth Most parts have been completed. <b>Update to Follow</b> Completed
Tenancy Services  PH Housing AD H (Hous)	Develop a pre-tenancy system to provide improved access to risk and needs information (Aug 18)	Aug 18	Not yet due

Procurement	Communicating, promoting and training on the Contract Procedure Rules issued in February 2017 and the new procurement policies including Social Value approved November 2017	June 18 <i>Prev April 18</i>	New procurement web/internet page set up – requires communication to staff
-------------	--	---------------------------------	--

Appendix 5 provides details of all outstanding Medium priority recommendations.

## Performance Information

---

9. Our performance is measured against a range of indicators. However as we have only just started work on the 2018/19 Plan no performance information is being reported at Appendix 4.

## Other Matters of Interest

---

10. There are none.

# Appendix 1 – Details of Limited / Low Assurance Reports

## Licensing of Houses in Multiple Occupation (Limited Assurance)

### Background and Context

The Housing Act 2004 (Part 2) places a duty on the Council to license large Houses in Multiple Occupation (HMOs). Large HMOs are defined as properties which are at least 3 storeys high, rented to 5 or more people who form more than 1 household and who share toilet, bathroom or kitchen facilities. Lincoln currently has approximately 300 of these properties.

New legislation has been approved (effective from 1 October 2018) that removes the 3 storey requirement, which could bring a further 800 properties under the licensing regime.

Delivering Quality Housing and improving housing conditions is one of the strands of the Council's Vision 2020 Action Plan and the HMO licensing process, coupled with the Council's own Trusted Landlord scheme, helps to deliver this.

The Communities & Environment Risk Register contains an amber risk for Private Sector Housing being unable to deliver its statutory duties and planned objectives.

### Scope

This review will give independent assurance that;

- The Council is licensing large HMOs in accordance with the requirements of the Housing Act 2004
- Income due is being collected
- Work to rectify any hazards identified (in any private rented property) is being monitored

We had hoped to have a brief look at the operation of the Trusted Landlord scheme but there was insufficient time to do this.

This review did not examine the determination of planning applications for HMOs under the Article 4 directive, but it did examine the sharing of intelligence between the two service areas.

### Executive Summary

We are only able to award Limited Assurance based on our findings.

The licensing process complies with the Housing Act 2004 but some key aspects of the process do not operate consistently. The implications of not ensuring that all licensable HMO's are safe to live in are potentially very serious, as is a failure to act on category 1 hazards in the wider private rented sector.

The key weak areas (for which High priority recommendations have been made) are;

- The age of Criminal Record Disclosure Certificates provided with applications. The Council's HMO Scheme states that they should be up to two months old but in reality they are being accepted up to 12-18 months old. The Council's requirements should be complied with, or revised if they are no longer considered appropriate.
- Schedule 3 condition monitoring. If conditions are made as part of granting a licence a timeframe is set for their completion (usually three or four months). A new

condition monitoring protocol has recently been set up but a consistent process was not in place for the previous eighteen months / two years. Some work needs to be done to determine what hasn't been completed within this period and then take the appropriate enforcement action.

- Gas certificate renewal. Once a licence is granted it is a mandatory condition that a new certificate is provided every twelve months. A reminder process is in place but testing of five licences found that in three cases new gas certificates had not been obtained.
- Relevance of the Enforcement Policy. The Enforcement Policy is dated 2005 and does not reflect procedural and legislative changes. There has been an outstanding audit recommendation to update it since an Empty Homes audit in 2013/14. Work has started and it is expected to be completed by the end of September
- Hazard monitoring. When a hazard is found it is categorised as 1 or 2 and work is done with the owner or agent to rectify it. Hazards and their categories are not recorded and there is no straightforward way to monitor and report on hazard rectification.

The Private Housing Team Leader has been very open and advised Internal Audit of a number of weaknesses as soon as the audit started.

Staff in the Private Housing Team staff are very committed in what they do.

The HMO Licensing process contains a lot of work areas and most of them are operating satisfactorily.

The IT system operates satisfactorily but there are proposals to replace it within the next two years, and an additional system may be purchased to provide a portal for landlords to submit applications electronically. There is the potential to use the IT system differently to reduce the amount of time spent on administration and allow improvements in monitoring and management oversight.

Licence fees are collected by debtor account after the licence has been granted. Testing found that the correct fees are being charged and a review of outstanding debtor accounts found that the level of unpaid accounts is extremely low. For 2018/19 the Council has increased the licence fee by 25% but a comparison with other local authorities has shown that many are charging higher fees. Going forward licence fees are likely to be payable in advance.

The current staffing establishment is fit for purpose but the service has not been fully staffed for some time, which has caused workload pressures and performance issues. Work is being done to consider the level of additional resource required to administer the expansion of the licensing regime later in the year.

Enforcement action is relatively limited due to the low level of resources available.

Some further areas for improvement were identified;

- Introduce performance measures that indicate how effective the service is at improving property conditions (through condition monitoring, hazard rectification and gas safety certificate renewal)

- Update the HMO Licensing Scheme and Method Statement
- Improve the HMO Licensing content on the Council's website
- Share information on licensable HMO's with Development Management using the shared database that has been established
- Clarify with the Council's Data Protection Officer whether personal information provided in support of an application should be retained or disposed of once it has been used
- Ensure that Land Registry searches are undertaken and retained
- Ensure that the licence renewal process operates consistently

## Appendix 2 – Audit Plan Schedule

Area	Indicative Scope	Planned Start Date	Actual Start Date	Final Report Issued	Current Status / Assurance Opinion
Chief Executive					
Human Resources (10)	Workbased learning – financial and operational risks	Q3/Q4			
Human Resources (3)	Attendance management follow up	Q1/Q2			
<i>Human Resources</i>	<i>Effective implementation of the new people strategy</i>				<i>(Potential audit – if time allows during year)</i>
Human Resources (10)	Recruitment process	TBA			
Commercial Property and Small Business Support (10)	Commercial property income Managed workspace	TBA			
Business Strategy (Vision 2020) (10)	Project management on key projects, including Housing and other areas.	TBA			
Partnerships (10)	Partnership arrangements including governance and effectiveness.	TBA			
Commercialisation/ Asset Rationalisation (10)	Review of strategy/projects	Q3/Q4			
Director of Housing and Regeneration	<b>Critical Activities</b>				
Housing Allocations/Choice Based Lettings (10)	Migration of data Data accuracy	TBA			
Housing Voids <i>Plus Aids and Adaptations Rechargeable repairs</i>	Housing voids/Aids and Adaptations management arrangements	TBA			<i>(Potential audit – if time allows during year)</i>
Council house sales (5)	Processes around sales / discounts and income.	TBA			
New Build / Housing Company (10)	New build contracts and any links to the new housing company	TBA			
Health and Safety (10)	Housing fire risk - governance arrangements	TBA			

Area	Indicative Scope	Planned Start Date	Actual Start Date	Final Report Issued	Current Status / Assurance Opinion
<b>Strategic Director – Communities &amp; Environment</b>	<b>Critical Activities</b>				
Planning (10)	CIL (Community Infrastructure Levy) and S106  Local plan delivery and monitoring.	TBA			<i>Audit in conjunction with Assurance Lincolnshire</i>
CCTV	<i>Management / monitoring of CCTV</i>				<i>(Potential audit – if time allows during year)</i>
Private Sector Housing (5)	DFG/ Arrangements for the new Heating scheme	TBA			
<b>Major Developments Directorate</b>	<b>Critical Activities</b>				
Growth (10)	Economic and Growth agenda including strategies, investment, partnerships, and infrastructure.	Q3/4			
Transport Hub (8)	Closedown of works and final account	Q1			
<b>Financial Governance Chief Executive</b>					
Benefits (10)	Universal Credit roll out including Housing impact.	TBA			
Counter Fraud (20)	We will continue to liaise with the Lincolnshire Counter fraud partnership, undertake a Counter fraud healthcheck, engage with NFI and build on work from Fraud risk assessment and continue to roll out the fraud e-learning training.	Q1-Q4			

Area	Indicative Scope	Planned Start Date	Actual Start Date	Final Report Issued	Current Status / Assurance Opinion
NNDR (5)	Business Rates Growth Policy/Reliefs	TBA			
Bank (5)	Key controls around the Council' banking arrangements.	TBA			
Procurement (10)	Review of frameworks and other OJEU level procurement plus social value policy.	TBA			
City Lottery (3)	Governance arrangements	Q2			
Governance (10)	The Council's cultural/ethical framework	Q1			<i>Scoping currently Dates to be agreed</i>
Governance (5)	Annual assurance We will consider the key elements of governance	Q4			
Risk Management (5)	Council's risk management arrangements	Q1/Q2	Q1		
Information Governance (10)	General Data Protection Regulations	Q3/Q4			
ICT Audit (30)	Applications  Cyber risks  ICT Strategy implementation and  ICT project /programme management – Operations and Business Development.	Q1  TBA  TBA  TBA			
IT DR/Business Continuity (3)	We will follow up with the Business Continuity Group actions arising from the IT DR audit in 2017/18	Q3			



Area	Indicative Scope	Planned Start Date	Actual Start Date	Final Report Issued	Current Status / Assurance Opinion
Western Growth (15)	To review project management arrangements	Q1			
Programmes and Projects (13)	<p>To provide assurance on project and programmes E.G Allotments / Sincil Bank / De Wint Court etc ( to be agreed)</p> <p>Review of project / programme governance arrangements including SPIT replacement</p>	TBA			
Consultancy/VFM Focus to be agreed (10)	An example could be comparison of fees and charges applied	TBA			
Emerging Legislation (2)	To provide assurance on management arrangements for forthcoming legislation	TBA			
Audit follow up work (10)	Assurance that actions from previous key audits have been implemented	Q1-Q4	Q1		
Combined Assurance (10)	<p>Completing the integrated assurance mapping process for the Council</p> <p>We will provide additional assurance information on equality and diversity assurance pending an audit review in 19/20</p>	Q3/4			
Contingency and Emerging risks (30)	Contingency for any brought forward work and emerging risks	Q1-Q4			

<b>Area</b>	<b>Indicative Scope</b>	<b>Planned Start Date</b>	<b>Actual Start Date</b>	<b>Final Report Issued</b>	<b>Current Status / Assurance Opinion</b>
Advice and liaison, management, reactive investigations (35)	As area	Q1-Q4			
Annual Internal Audit Report – (3)	As area	Q4			
Audit Committee – (20)	Audit Committee support	Q1-Q4			Ongoing
Housing Benefit Subsidy (50)	Testing on behalf of External Audit	Q1-2	May		In progress
Review IA Strategy and Planning – (5)	New Plan for 2019/20	Q4			

## Appendix 3- Assurance Definitions<sup>1</sup>

<b>High Assurance</b>	<p>Our critical review or assessment on the activity gives us a high level of confidence on service delivery arrangements, management of risks, and the operation of controls and / or performance.</p> <p>The risk of the activity not achieving its objectives or outcomes is low. Controls have been evaluated as adequate, appropriate and are operating effectively.</p>
<b>Substantial Assurance</b>	<p>Our critical review or assessment on the activity gives us a substantial level of confidence (assurance) on service delivery arrangements, management of risks, and operation of controls and / or performance.</p> <p>There are some improvements needed in the application of controls to manage risks. However, the controls have been evaluated as adequate, appropriate and operating sufficiently so that the risk of the activity not achieving its objectives is medium to low.</p>
<b>Limited Assurance</b>	<p>Our critical review or assessment on the activity gives us a limited level of confidence on service delivery arrangements, management of risks, and operation of controls and / or performance.</p> <p>The controls to manage the key risks were found not always to be operating or are inadequate. Therefore, the controls evaluated are unlikely to give a reasonable level of confidence (assurance) that the risks are being managed effectively. It is unlikely that the activity will achieve its objectives.</p>
<b>Low Assurance</b>	<p>Our critical review or assessment on the activity identified significant concerns on service delivery arrangements, management of risks, and operation of controls and / or performance.</p> <p>There are either gaps in the control framework managing the key risks or the controls have been evaluated as not adequate, appropriate or are not being effectively operated. Therefore the risk of the activity not achieving its objectives is high.</p>

---

<sup>1</sup> These definitions are used as a means of measuring or judging the results and impact of matters identified in the audit. The assurance opinion is based on information and evidence which came to our attention during the audit. Our work cannot provide absolute assurance that material errors, loss or fraud do not exist.

## Appendix 4 - Performance Details 2018/19 Planned Work

Performance Indicator	Annual Target	Profiled Target	Actual
Percentage of plan completed.	100%	25% end June 50% end Sept 75% end Dec 100% end Mar	Will be reported at the July meeting.
Percentage of key financial systems completed.	100%	100% end Mar	Will be reported at the July meeting.
Percentage of recommendations agreed.	100%	100%	Will be reported at the July meeting.
Percentage of High priority recommendations due implemented.	100% or escalated	100% or escalated	Will be reported at the July meeting.
<b>Timescales:</b> Draft report issued within 10 working days of completing audit.  Final report issued within 5 working days of closure meeting / receipt of management responses.  Period taken to complete audit –within 2 months from fieldwork commencing to the issue of the draft report.	100%  100%  80%	100%  100%  80%	Will be reported at the July meeting.
Client Feedback on Audit (average)	Good to excellent	Good to excellent	Will be reported at the July meeting.



Customer Experience Strategy	Nov 17	Substantial	10	7	1	2	<ul style="list-style-type: none"> <li>Formally consider whether each project requires an Equality Impact Assessment</li> <li>Review the arrangements for Digital Champions</li> <li>Further improve the Self-serve arrangements</li> <li>Improve the use of statistical information to help Boards monitor trends and identify specific issues</li> <li>Determine internal and external communication requirements</li> <li>Formalise the reporting of feedback and complaints</li> <li>Introduce a risk register</li> <li>Produce a plan for “Forms” system development in the future (original target Feb 18 – all)</li> </ul>	<p>Apr 18</p> <p>Apr 18</p>	<p><b>Update to follow</b></p> <p>Completed</p> <p>Completed</p> <p>Completed</p> <p>Extended 1 mth Part completed</p> <p>Completed</p> <p>Completed</p> <p>Completed Extended 1 mth In progress</p> <p>Also see High Priority Recs in para 7 (x2)</p>
------------------------------	--------	-------------	----	---	---	---	---	-----------------------------	--

Malware PH CMCS	Nov 16	Substantial	8	6		2		<ul style="list-style-type: none"> <li>Operate net consent software (Mar 17)</li> <li>Include IT Security within HR training system (Mar 17)</li> </ul>	June 18  June 18	Completed  Course drafted
IT Disaster Recovery	Oct 17	Substantial	19	6			13	<ul style="list-style-type: none"> <li>Seating in the event of the DR plan</li> <li>Contractor requirements (Housing)</li> <li>LAN connection (Hamilton House)</li> <li>Property Services to review utility requirements</li> <li>Produce (Mini) Business Continuity Plans for the remaining service areas</li> <li>Ensure that the approach used to assess risks is clearer</li> <li>Address RPO in the Business Continuity Plans for the Service Areas</li> <li><u>LCC to review the IT DR plan to ensure that it ties into the corporate BCP and BCPs for each Service Area.</u></li> <li>Have the Service Areas plan for 'loss of IT services' for up to two (2) weeks</li> </ul>	June 18	<b>Update to follow</b>  Extended 3 mths Being monitored / implemented through the Business Continuity Group  All "underway"  Six implemented (Underlined)

								<ul style="list-style-type: none"> <li>• <u>Liaise with representatives from NKDC (and WLDC) to ensure that they understand the recovery timescales to which the IT department at CoLC are working to.</u></li> <li>• <u>CMT to ensure that the BCG meets regularly</u></li> <li>• Ensure that the next BCP desk-top exercise includes the IT DR plan</li> <li>• Review the arrangements for wider staff education and awareness</li> <li>• The IT department and Service Areas to meet to consider the issues and requirements pertaining to the 'return to normal service'</li> <li>• A test plan be produced and thereafter implemented</li> <li>• Ensure the (IT) room is "clear" other than IT equipment</li> <li>• <u>Review security of racking</u></li> <li>• <u>Fire extinguishers</u></li> </ul>		
--	--	--	--	--	--	--	--	--	--	--



Audit Area	Date	Assurance	No of Recs	Impl'd	Outstanding		Not Yet Due	Agreed Action & Original Target Date	Revised Target Date	Progress since previous Committee
					H	M				
<b>CX - Chief Finance Officer</b>										
Accountancy PH CMCS	June 15	Effective	3	1		2		<ul style="list-style-type: none"> <li>Review &amp; update Financial Procedure Rules (Apr 15)</li> <li>Review &amp; update the budget holder manual (Dec 15)</li> </ul>	May 18  Sept 18 <i>Prev May 18</i>	Completed  Follows FPR update
Risk Management PH CMCS	May 17	Substantial	9	8		1		Improve guidance & deliver further training CLT / Members (Sept 17)	July 18	<p>Extended 4 mths A training plan has been agreed by the Service Managers Forum.</p> <p>Training delivered to service managers forum</p> <p>Training will be given to CLT on 13th June.</p>
Corporate Governance Code	Oct 17	Substantial	See above					Consider the need for a detailed Asset Management Plan (Mar 18)	Sept 18  <i>Prev June 18</i>	Extended AMP may be incorporated into Asset Rationalisation Strategy

Asset acquisitions	Feb 18	Substantial	7				7	<p>1 Consider options for a reserve to meet additional costs and review the level of the minimum reserve position over time</p> <p>2.Strategy update areas:</p> <ul style="list-style-type: none"> <li>-Reference to Government guidance on MRP</li> <li>- acquisitions form a balanced portfolio</li> <li>- annual review of the strategy and reporting to Executive if there are any material changes such as interest rates.</li> </ul> <p>3. Develop one filing structure for all information in a secure location possibly via a shared Directory and all relevant decision making records are held in accordance with our document retention policy.</p> <p>4 Decisions on the ongoing acquisition programme and the potential for future acquisitions will have to be made, based on these decisions the level of capacity / skills required will be reviewed.</p>	<p>June 18</p> <p>August 18</p> <p>June 18</p> <p>June 18</p>	<p><b>Update to follow</b></p>

								<p>5. Agreed to develop an evidence template to support and sign off that all required actions for each acquisition have been completed.</p> <p>6. Agreed that details of projects rejected and the reason for rejection will be recorded</p> <p>7. Agreed an overall risk register will be developed and maintained through the asset acquisition group</p>	<p>June 18</p> <p>June 18</p> <p>June 18</p>	
Revenues and Benefits – Support Services PH CMCS	Jul 16	Substantial	5	4		1		Commence discussions on the apportionment of support costs at Operational Board to open the way for a report to Joint Committee (Aug 16, Mar 18)	<p>Sept 18</p> <p><i>Jun 18</i></p>	Extended
Revenues & Benefits – Information Governance PH CMCS	Feb 17	Limited	15	14	1	0		<p>Complete the R&amp;B Info Gov actions (Jun 17)</p> <p>Also see High priority recs at para 7.</p>	May 18	Completed
Recovery PH CMCS	Mar 17	Substantial	11	9		2		Use a second enforcement agent at COLC when the next procurement exercise is completed (Sep 18)	Sep 18	Not yet due.

								As part of the review of the Fair Collection & Debt Recovery Policy determine whether the data used to monitor the Policy (sec 10) are all relevant & appropriate (Jan 18)	Dec 18	Not yet due.
--	--	--	--	--	--	--	--	--	--------	--------------

Audit Area	Date	Assurance	No of Recs	Impl'd	Outstanding		Not Yet Due	Agreed Action & Original Target Date	Revised Target Date	Progress since previous Committee
					H	M				
<b>CX – Assistant Director Strategy</b>										
Vision 2020	Mar 18	Substantial	3	-			3	<p>1.1 Review the projects where the Council is a supporting partner and include milestones which reflect the level of resource expected to be provided.</p> <p>1.2 Co-ordinate the RAG rating so that they are the same for the different reporting levels. The SDPM will work with relevant staff in the Quality Housing Vision Group to facilitate an update of the Housing Strategy Action Plan to reflect the vision group monitoring table RAG ratings.</p> <p>2.1 The SDPM will work with Directors to facilitate them to meet the requirements of the LPMM by:</p> <ul style="list-style-type: none"> <li>Developing project briefs for those projects</li> </ul>	<p>Sept 2018</p> <p>Sept 2018</p>	Completed (1.1)

							<p>moving from year 1 to year 2 of the programme</p> <ul style="list-style-type: none"> <li>• Ensuring all new project briefs are signed for approval by the Delivery Director and Project Manager</li> </ul>		
							<p>2.2 The monitoring table will be updated to reflect how the business case, scope and rational for the individual projects has been approved</p>	Sept 2018	
							<p>2.3 Ensure that there is a process in place for sign off of projects by the Delivery Director and Project Manager as per the terms of reference document</p>	Sept 2018	
							<p>2.4. Based on the experience of the first year of programme delivery, the Vision 2020 terms of reference document will be reviewed. Include on the CMT/Vision 2020 Board agenda sign off of project briefs</p>	Sept 2018	
							<p>3.1 Record required actions and responsibility on the following meeting minutes with information to identify whether the action has been delivered or carried forward.</p>	Sept 2018	
							<p>3.2. A table of summary actions identified at the</p>	Sept 2018	

								beginning of the minutes is one way of recording		
--	--	--	--	--	--	--	--	--	--	--

Audit Area	Date	Assurance	No of Recs	Impl'd	Outstanding		Not Yet Due	Agreed Action & Original Target Date	Revised Target Date	Progress since previous Committee
					H	M				
<b>CX – City Solicitor</b>										
Procurement	Apr 18	Substantial	6					<p>1 Updating and maintaining of the contract register. This is a key recommendation which will allow notification of contract renewal dates and will help to ensure sufficient resources are available to effectively re-new existing contracts</p> <p>2. Ensure that update to RFQ's are used</p> <p>3. Reminding service areas that contracts over £75k must be lodged with Legal Services</p> <p>4. As the year progresses and workloads become clearer the requirement to strengthen procurement resources either through links with Legal Services or through external support will be continually reviewed. A watching brief on the situation will be maintained.</p>	<p>June 18</p> <p>June 18</p> <p>Mar 19</p>	<p>On track</p> <p>Completed (2)</p> <p>(Links to high priority rec)</p>

									5 Reviewing the current process of requiring an order for contracts and update procedure rules if necessary Management should confirm whether an order for contracts is required and the Rules updated accordingly	June 18	
--	--	--	--	--	--	--	--	--	--	---------	--

Audit Area	Date	Assurance	No of Recs	Impl'd	Outstanding		Not Yet Due	Agreed Action & Original Target Date	Revised Target Date	Progress since previous Committee
					H	M				
<b>DHR - Assistant Director Housing</b>										
Vehicle Fuel Management PH Housing	Feb 2013	Limited	8	7		1		Update the Driver Code of Practice (Aug 13)		Matt Hillman <b>Update requested</b>
Control Centre PH Housing	Oct 16	Substantial	8	7		1		Ensure up to date agreements are in place with agencies (Sep 17)	Sept 18	Extended 6 mths A new, GDPR complaint agreement is being developed
Responsive Repairs PH Housing	Jun 17	Substantial	6	2		4		<ul style="list-style-type: none"> <li>Record planned repairs on UH (Nov 17)</li> <li>Take before &amp; after photos (Nov 17)</li> </ul>	March 18 Dec 18	Linked to current planned maintenance audit – will be extended

										Extended 9 mths Servitor upgrade required first
Stores	Nov 17	Limited	12	8	1	2	1	<ul style="list-style-type: none"> <li>• Agree a process for adding items to the core stock list (Mar 18)</li> <li>• Undertake a fraud / theft risk assessment (Dec 17)</li> <li>• Clear the unallocated materials suspense account on a regular basis (Dec 17)</li> </ul>	Mar 18  April 18  Mar 18	Completed  <b>Update requested</b>  Completed  Also see High priority recs at para 7.
Tenancy Services	Jan 18	Substantial	7	2			5	<ul style="list-style-type: none"> <li>• Review &amp; update procedures and service standards (Sept 18)</li> <li>• Verify tenant identity at sign up and the 3 week visit (Feb 18)</li> <li>• Update the fraud strategy &amp; fraud risk assessment, and undertake some proactive work (Sept 18)</li> <li>• Review fraud training requirements (Nov 18)</li> <li>• Consider undertaking annual inspections (Sept 18)</li> <li>• Record eviction authorisation on UH (Feb 18)</li> </ul> <p>Also see High priority rec at para 7.</p>	Sept 18  Feb 18  Sept 18  Nov 18  Sept 18  Feb 18	Not yet due  Completed  Not yet due  Not yet due  Not yet due  Completed



Audit Area	Date	Assurance	No of Recs	Impl'd	Outstanding		Not Yet Due	Agreed Action & Original Target Date	Revised Target Date	Comments / Progress
					H	M				
<b>DCE - Assistant Director Health and Environmental Services</b>										
Car parking								Undertake a monthly reconciliation of debit / credit card transactions at the Central car park to data from the car park machines	April 18	Completed
								Consistently apply the procedure to notify a supervisor of all cash variances over £10	April 18	Completed
								Review the income collection health and safety risk assessment to reflect the recent opening of the Central car park	April 18	Update requested
								Re-instate periodic supervisory checks of the Daily Income record	April 18	Completed
								Determine if the data retention period for the Central car park IT system can be extended, but if it can't then determine what data needs to be exported and retained	June 18	Completed
							Periodically change the passwords to access the Central car park IT system	June 18	Completed	

								Improve the monitoring process of manual barrier openings at the Central car park, and introduce a periodic review of the reasons to determine if procedures are being complied with or if further guidance is required	April 18	Alternative control in place  Completed
--	--	--	--	--	--	--	--	---	----------	---

Audit Area	Date	Assurance	No of Recs	Impl'd	Outstanding		Not Yet Due	Agreed Action & Original Target Date	Revised Target Date	Comments / Progress
					H	M				
<b>DCE - Assistant Director Communities &amp; Street Scene</b>										
Boultham Park Refurbishment  PH RSH PH PPER	Jun 17	High	2	1		1		Complete the revised partnership agreement (Jul 17)	Jun 18	Extended 3 mths  Update requested

Audit Area	Date	Assurance	No of Recs	Impl'd	Outstanding		Not Yet Due	Agreed Action & Original Target Date	Revised Target Date	Comments / Progress
					H	M				
<b>MDD – Major Developments Directorate</b>										
Transport Hub PH CMCS PH PPER	April 17	Substantial	9	6		3		Review Thub health and safety file CHS (Jul 17)  CE's finalized and marked off financial report (Jul 17) CE documentation (Apr 17)	July 18 Was April 18  July 18 Was April 18	Extended In progress, part of project closedown  Extended In progress, part of closedown