Audit Agreed Action Implementation Report

City of Lincoln Council

July 2024

Process for following up Agreed Actions

Recommendations are made within Internal Audit reports to address the weaknesses identified during the audit. Management are requested to agree actions to address the weaknesses setting out the responsibilities and timeframe for completion. These actions may or may not be the same as the recommendations.

The Internal Audit Standards require that Internal Audit must confirm that management has implemented the agreed actions made within the Audit Reports. As part of this process Internal audit must follow an established methodology which includes:-

- Inquiring about progress on the implementation
- Performing follow-up assessments using a risk-based approach
- Updating the status of management's actions in a tracking system

Where management has not progressed with the implementation of the agreed actions Internal Audit must obtain an explanation from management and determine whether there remains an unacceptable level of risk.

To meet these requirements we have a process in place to review all actions every quarter and obtain management updates on those due. We also review a sample of completed actions to ensure that the actions have been implemented as expected. These are selected based on their level of priority and the assurance level of the report, concentrating mainly on those rated High risk or from Low or Limited reports.

All actions are currently recorded and tracked using a spreadsheet.

There is a protocol in place (See Appendix 1) which sets out the roles and responsibilities for all in the follow-up process.

The Purpose of the Report

In accordance with the Internal Audit Standards and the Protocol a status report is required to be presented to Management and Members setting out the progress made on implementing the agreed actions (corrective action) and any implications on the level of remaining risk.

Summary of Agreed Actions

The following charts show the number of agreed actions within reports issued during 2023/24 and 2024/25 to date:

2023/24

2024/25 (June)
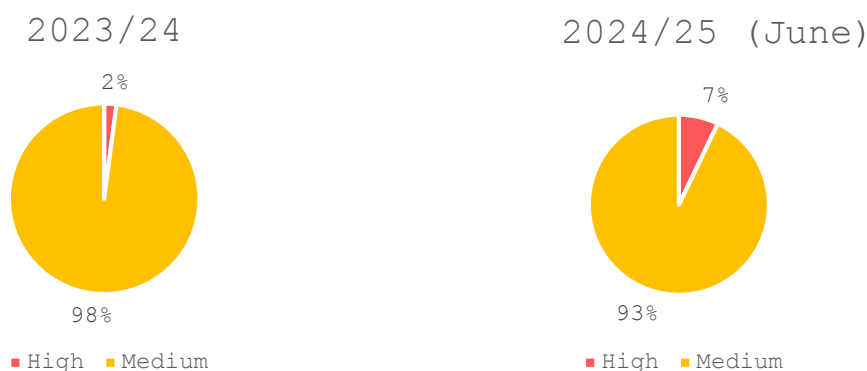
The current implementation rates for reports issued in the year are:-

2023/24	2024/25
71%	46%

There are 5 agreed actions from reports issued prior to 2023/24 which have not yet been implemented. Three are overdue and two have been extended and are not yet due.

In total there are 36 actions remaining to be implemented. These are split in age according to when the reports were issued and current status as follows:-
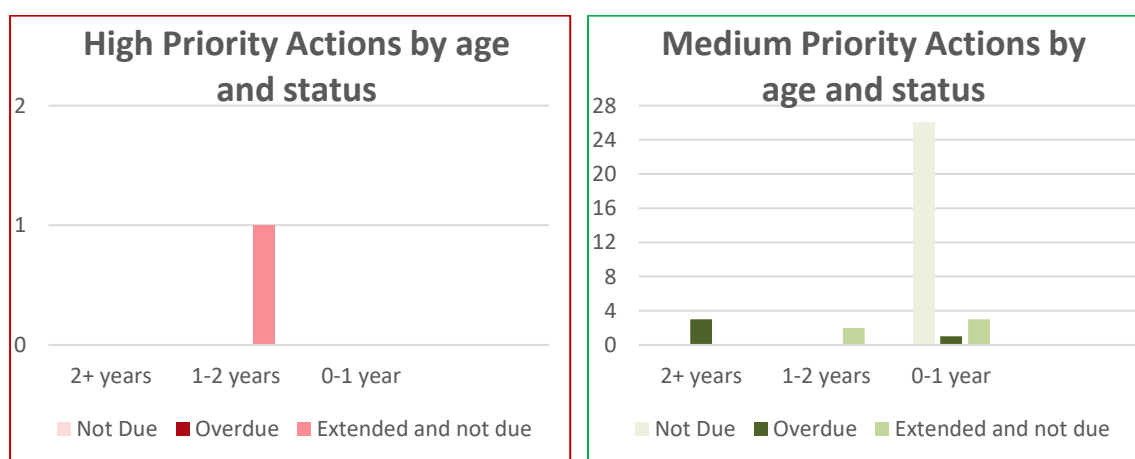
There are no actions which have not been agreed.

Progress

A report on the outstanding actions was presented to the Committee in February 2024. There have been a number of changes in the implementation of actions outstanding at that time and these are detailed below.

All actions have now been implemented for the following reports:-

- Housing Benefit Subsidy - November 2023
- NNDR – April 2024
- Treasury Management – June 2024

Progress made on implementing the remaining actions is summarised below in report date order:-

Audit	Report date	Assurance	No. of Actions		Comp.	Outstanding		Not yet due	Progress
			H	M		Overdue	Extended		
Housing Allocations	Aug 20	Substantial	0	4	3	1	0	0	↔
Homeless - ness	Aug 20	Substantial	0	2	1	1	0	0	↔
Office 365	May 21	Substantial	0	6	5	1	0	0	↑
Performance Management	Aug 22	Limited	3	1	3	0	1 (H)	0	↔
De Wint Court	Mar 23	Substantial	8	12	19	0	1 (M)	0	↔
IT Disaster Recovery	May 23	Substantial	0	3	2	0	1	0	↑
Creditors	Oct 23	Substantial	0	1	0	0	0	1	↔
Housing Repairs	Nov 23	Substantial	1	11	11	0	0	1 (M)	↑
Insurance	Feb 24	Substantial	0	4	0	0	0	4	New
Staff Recruitment and Retention	Mar 24	Substantial	0	10	7	0	3	0	New
Cyber Security	Mar 24	Substantial	0	5	0	0	0	5	New
Contract Management	May 24	Limited	2	19	14	0	0	7 (M)	New

Audit	Report date	Assurance	No. of Actions		Comp.	Outstanding		Not yet due	Progress
			H	M		Overdue	Extended		
IT Asset Management	May 24	Limited	0	11	2	1	0	8	New
		Total	**14**	**89**	**67**	**4**	**6**	**26**	

Full details of those not yet implemented are included in Appendix 2.

Appendix 1 - Recommendation/Agreed Action Follow Up protocol

The following sets out the protocol to be followed for the approval of changes to the implementation dates and monitoring of implementation of the agreed actions.

1. Internal Audit will:

1.1 Record recommendations and actions.
1.2 Monitor target dates quarterly and obtain updates where the action is due within 1 month.
1.3 Discuss extensions to target dates and obtain approval from Directors.
1.4 Undertake detailed follow up work on all agreed actions in Limited / Low assurance audits approx. 12 months from the report date or other agreed date.
1.5 Provide a report for Directors of all outstanding actions on at least a 6 monthly basis to be added to the next available DMT meeting agenda.
1.6 Liaise with Directorates to ensure that they are aware of the actions outstanding and provide reports as required.
1.7 Feedback comments from the Audit Committee in respect of the implementation of audit actions.
1.8 Carry out spot checks of any completed actions within the last 12 months and obtain evidence to support implementation.

2. Audit Committee will:

2.1 Receive recommendation update reports at alternating meetings, which provide a summary of progress and detail of High priority recommendations.
2.2 Receive verbal updates from service managers where there are outstanding agreed actions 12 months from the report issue date.
2.3 Receive a 12 months update on Limited / Low assurance audits.
2.4 Receive notification where recommendations are not agreed.

3. Directors will:

3.1 Consider and approve extensions where the agreed action has not been implemented by the implementation date.
3.2 Approve acceptance of risk where recommendations are not agreed.
3.3 Include a review of agreed actions on the DMT agenda at least every 6 months.
3.4 Ensure Portfolio Holders are made aware of outstanding actions and the reasons for this.

4 Assistant Directors, City Solicitor, Chief Finance Officer will:

4.1 Approve the closing of agreed actions where the action is no longer relevant / has been superseded.

Definitions
- *Recommendation* – Action recommended by the Auditor to rectify the weakness/issue identified.

- *Agreed Action* – Action agreed by management to rectify the weakness/issue identified which may differ from the recommendation.

(Approved by Committee 14 June 2022, updated June 2024 to remove reference to Pentana as no longer used)

Appendix 2 – Details of Outstanding Recommendations

Audit	Report Date	Priority	Agreed Action	Current status	Original Due Date	Current Due Date	Resolution Comments
Homelessness Reduction Act Implementation	Aug-20	Medium	1.1 Agreed. We will investigate and implement with Business Development and IT how the retention and disposal of cases could be managed.	Overdue 2+ years	31/12/2020	29/02/2024	Mar 24 - Upgrade from Enterprise awaited. Once completed, work is then required to look at which documents would be migrated over and which will stay on Abritas.
Housing Allocations	Aug-20	Medium	How to create letters/emails or notification to the applicant in order for them to respond will be tagged onto user acceptance testing of the system update	Overdue 2+ years	28/02/2021	31/03/2023	Jun 24 – We continue to work with the suppliers but have not been able to progress any further. Development was booked but didn't take place. Concerns have been raised and escalated with supplier and a further date is being requested.
Office 365	May-21	Medium	4.1 Feeds into overarching project plan before migration of files; provided resources available will enable DLP policies for Exchange Online and SharePoint Online content. Will set up and use SharePoint Online data classification policies on data stored in SharePoint Online sites.	Overdue 2+ years	31/03/2022	30/06/2024	April 24 - whilst progress is slower than hoped, this is being considered as part of the wider review of document management and storage. An extension may be needed but progress will be reviewed again end May.
Performance Management	Aug-22	High	1.1 Review the LPMF document, combine with Data Quality and reintroduce Control Sheets, defining roles and responsibilities at a high level, and linking to key documents. Will also focus on external reporting as noted.	Extended and not yet due 1-2 years	31/03/2023	31/12/2024	Apr 24 - The follow-up audit showed significant improvement and direction of travel. The LMPF documentation refresh is the only outstanding item.

Audit	Report Date	Priority	Agreed Action	Current status	Original Due Date	Current Due Date	Resolution Comments
De Wint Court	Mar-23	Medium	2.3 Tenancy booklet and agreement will be amended to include tenant liability for utility costs both during their residency at De Wint Court and if they subsequently leave	Extended and not yet due 1-2 years	31/05/2023	30/09/2025	Oct 23 - Working on a new tenancy agreement.
IT Disaster Recovery	May-23	Medium	3.1 Working with relevant external partners and colleagues across Council a proposal for a Desktop exercise for the Business Continuity Plan and IT Disaster Recovery will be developed.	Extended and not yet due 1-2 years	30/09/2023	31/07/2024	April 24 - a county wide exercise is planned which will include test of Lincoln's BCP and IT DR Plans. Extension agreed by AA from 31/03/24 to 31/07/24.
Creditors	Oct-23	Medium	1.1 The Exchequer Officer will coordinate the completion of procedure notes for all key processes and activities as outlined herein.	Not due 0-1 year	30/09/2024	30/09/2024	Not due
Housing Repairs	Nov-23	Medium	7.1 This process is being reviewed as part of the HITREP project we are looking to include an option for collecting with the operative on site through the mobile solution as other providers do rather than relying on a text message response.	Not due 0-1 year	31/08/2024	31/08/2024	Not due

Audit	Report Date	Priority	Agreed Action	Current status	Original Due Date	Current Due Date	Resolution Comments
Insurance	Feb-24	Medium	1.1 Agreed procedures and operational guidance relating to key Insurance processes and activities will be developed to include a service manual for Officers across the Council. The Insurance Team will also review the current licence with JCAD Lachs over the course of the year to take into account how any possible upgrades/version improvements can be planned to support the IT strategy.	Not due 0-1 year	28/02/2025	28/02/2025	Not due
Insurance	Feb-24	Medium	1.2 Although there is some information already on the Hub this will be built upon to make more accessible to all Council Officers	Not due 0-1 year	28/02/2025	28/02/2025	Not due
Insurance	Feb-24	Medium	2.1 The insurance system does have capability to do so through diary monitoring and reporting but until now the administrative support has not been available to do so consistently across all claims. This will be improved upon now the team is full established. The development plan for JCAD Lachs as mentioned in 1.1 will be reviewed to ensure this can be achieved across all claim guidelines.	Not due 0-1 year	28/02/2025	28/02/2025	Not due

Audit	Report Date	Priority	Agreed Action	Current status	Original Due Date	Current Due Date	Resolution Comments
Insurance	Feb-24	Medium	3.1 Agreed to develop mechanisms and attendance for regular reporting, at least quarterly, via Assistant Director Groups, Service Manager meetings, and/or DMT's, in agreement with Service Areas.	Not due 0-1 year	28/02/2025	28/02/2025	Not due
Staff recruitment, selection and retention	Mar-24	Medium	2.1 The Recruitment Policy and Guidance will be reviewed and updated to ensure that they are clear and consistent in the number of recruitment panel members required to have completed recruitment training and the timeframe for completion.	Extended and not yet due 0-1 year	30/06/2024	31/07/2024	May 24 - Ongoing - Extended to 31/07 due to capacity.
Staff recruitment, selection and retention	Mar-24	Medium	2.2 Checks will be carried out by HR to ensure that officers on interview panels have completed training, in line with the agreed Policy and Guidance.	Extended and not yet due 0-1 year	30/06/2024	31/07/2024	May 24 - Ongoing - Extended to 31/07 due to capacity.
Staff recruitment, selection and retention	Mar-24	Medium	2.3 A reminder will be issued to all officers to ensure that refresher recruitment training is carried out as and when required and that the date of completion is promptly recorded on the ITrent system.	Extended and not yet due 0-1 year	30/06/2024	31/07/2024	May 24 - Recruitment training sessions arranged for June and July. Extended to 31/07 due to capacity.
Cyber Security	May-24	Medium	1.1 - Risk register to be updated.	Not due 0-1 year	31/12/2024	31/12/2024	Not due
Cyber Security	May-24	Medium	1.2 - Risks to be reported regularly to the appropriate group	Not due 0-1 year	31/07/2024	31/07/2024	Not due
Cyber Security	May-24	Medium	2.1 Agreed – Process for managing non-compliant devices in Intune to be reviewed	Not due 0-1 year	31/12/2024	31/12/2024	Not due

Audit	Report Date	Priority	Agreed Action	Current status	Original Due Date	Current Due Date	Resolution Comments
Cyber Security	May-24	Medium	3.1 – Incident log to be updated and will be discussed at IG quarterly meetings.	Not due 0-1 year	31/07/2024	31/07/2024	Not due
Cyber Security	May-24	Medium	3. 2 – Schedule to test incident response plan to be developed.	Not due 0-1 year	31/12/2024	31/12/2024	Not due
Contract Management	May-24	Medium	1.1 Contract Procedure Rules are to be completely reviewed and redrafted to ensure that all recommendations within this audit are addressed; that best practice is incorporated where appropriate and that in line with the Procurement Act 2023 (due to come into force in October 2024)	Not due 0-1 year	31/12/2024	31/12/2024	Not due
Contract Management	May-24	Medium	2.1 Recommendation (clearer guidance on level/depth of contract management arrangements) is addressed as part of the review and redraft of CPR's and through ongoing contract manager training.	Not due 0-1 year	31/12/2024	31/12/2024	Not due
Contract Management	May-24	Medium	3.1 Recommendation (CPRs include responsibilities of the S151 Officer, Management Team and Senior Officers in respect of contract management) to be addressed as part of the review and redraft of CPR's.	Not due 0-1 year	31/12/2024	31/12/2024	Not due
Contract Management	May-24	Medium	4.1 Recommendation (contracts are in place that clearly set out requirements in respect of contract management and performance) to be addressed as part of the review and redraft of CPR's.	Not due 0-1 year	31/12/2024	31/12/2024	Not due

Audit	Report Date	Priority	Agreed Action	Current status	Original Due Date	Current Due Date	Resolution Comments
Contract Management	May-24	Medium	5.1 Recommendation (CPRs include details of what should be recorded on the Contracts Register) to be addressed as part of the review and redraft of CPR's.	Not due 0-1 year	31/12/2024	31/12/2024	Not due
Contract Management	May-24	Medium	8.2 Recommendation (All extensions are formally documented and Vos retained) to be addressed as part of the review and redraft of CPR's	Not due 0-1 year	31/12/2024	31/12/2024	Not due
Contract Management	May-24	Medium	10.2 Agreed action (risk registers) to be reflected within the review and redraft of CPR's.	Not due 0-1 year	31/12/2024	31/12/2024	Not due
IT Asset Management	May-24	Medium	2.1 a) Complete the review of all mobile devices, their current use and number of unsupported device.	Overdue 0-1 year	31/05/2024	31/05/2024	Not due
IT Asset Management	May-24	Medium	2.1 b) Develop a programme for replacement with patchable devices where needed subject to budget being available. Additional investment will be needed and a clear assessment of use and need will be completed.	Not due 0-1 year	31/12/2024	31/12/2024	Not due
IT Asset Management	May-24	Medium	2.2 a) Develop a mechanism for annually monitoring all new devices and include this in the ICT Strategy	Not due 0-1 year	31/03/2025	31/03/2025	Not due
IT Asset Management	May-24	Medium	2.2 b) Undertake an interim action of asset review across all services	Not due 0-1 year	31/07/2024	31/07/2024	Not due

Audit	Report Date	Priority	Agreed Action	Current status	Original Due Date	Current Due Date	Resolution Comments
IT Asset Management	May-24	Medium	3.1 A final roadmap for decommissioning all unsupported SQL Server databases to be developed and agreed.	Not due 0-1 year	31/12/2025	31/12/2025	Not due
IT Asset Management	May-24	Medium	4.1 The Asset Management Policy content within the IT Security Standard will be considered again at the next scheduled review of the document (scheduled for March 2024) and amended as/where necessary to ensure it reflects current practices.	Not due 0-1 year	30/09/2024	30/09/2024	Not due
IT Asset Management	May-24	Medium	4.2 For asset verification, processes will be reviewed to determine what improvements can be made. This will include reviewing information can be extracted from the Lansweeper system and additional asset verification checks that could be undertaken during a support visit.	Not due 0-1 year	30/09/2024	30/09/2024	Not due
IT Asset Management	May-24	Medium	5.1 An annual IT asset verification process will be developed. This links with actions 2.1 and 2.2.	Not due 0-1 year	31/12/2024	31/12/2024	Not due
IT Asset Management	May-24	Medium	6.1 Review options for formal contract for the secure disposal of redundant IT hardware.	Not due 0-1 year	31/07/2024	31/07/2024	Not due