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Audit Agreed Action Implementation Report

City of Lincoln Council
December 2024



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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:

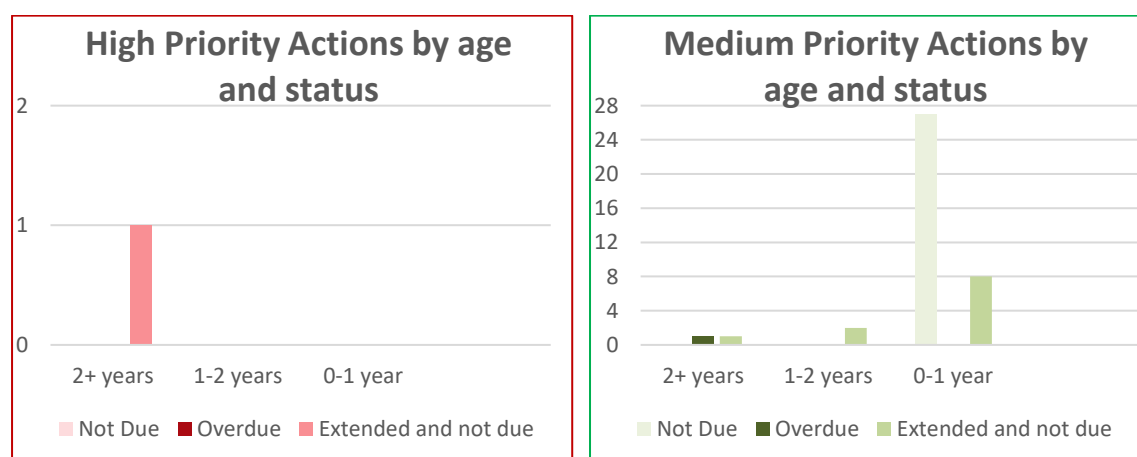


The current implementation rates for reports issued in the year are include below. The rates for 2024/25 will fluctuate up and down as reports are issued.

2023/24	2024/25
88%	39%

There are 3 agreed actions from reports issued prior to 2023/24 which have not yet been implemented. One is overdue and two have been extended and are not yet due.

In total there are 40 actions remaining to be implemented. These are split in age according to when the reports were issued and current status as follows:-



There was one Low risk action agreed which is not yet due and another which was not agreed.



Progress

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

There were four reports, Housing Allocations, DeWint Court, Housing Repairs and Staff Recruitment and Retention, where all of the agreed actions have now been implemented. 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		
Homeless - ness	Aug 20	Substantial	0	2	1	1	0	0	
Office 365	May 21	Substantial	0	6	5	0	1	0	
Performance Management	Aug 22	Limited	3	1	3	0	1 (H)	0	
IT Disaster Recovery	May 23	Substantial	0	3	2	0	1	0	
Creditors	Oct 23	Substantial	0	1	0	0	1	0	
Insurance	Feb 24	Substantial	0	4	0	0	0	4	
Cyber Security	Mar 24	Substantial	0	5	0	0	2	3	
Contract Management	May 24	Limited	2	19	14	0	0	7 (M)	
IT Asset Management	May 24	Limited	0	11	2	0	5	4	
VAT/Taxation	Jul 24	High	0	1	0	0	0	1	New
Governance Health Check	Jul 24	Substantial	0	5	0	0	0	5	New
Online Services	Aug 24	Substantial	0	3	1	0	1	1	New
Risk Management	Oct 24	Substantial	0	2	0	0	0	2	New
		Total	5	63	28	1	12	27	

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	Oct 24 - The snagging following the upgrade has not been able to be completed due to resource issues within the Housing Solutions Team. Further discussions have taken place as part of a review of the allocations process. It is expected that a resolution will be decided and be implemented by March 2025. Final extension approved by Director.
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.	Extended and not yet due 2+ years	31/03/2022	31/07/2025	Oct 24 - Reports have been sent to many service areas to review and to manage the storage of information. A reporting system will be provided to ADs and SMs, to show progress. Good progress is being made but this is a large-scale piece of work that will take some time to complete and draws on resources from within teams as well as ICT. Some automation of deletion is also being implemented in some systems which is helping with progress. Extension agreed by Chief Executive.

Audit	Report Date	Priority	Agreed Action	Current status	Original Due Date	Current Due Date	Resolution Comments
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 2+ years	31/03/2023	31/12/2024	Oct 24 - Good progress made and is on track for completion by revised deadline.
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	30/09/2025	Oct 24 - An exercise in 2024 on widescale power outage which covered elements of ITDR although not sole focus. IT/Cyber is in place for 2025. Extension agreed by Chief Executive.
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.	Extended and not yet due 1-2 years	30/09/2024	31/03/2025	Oct 24 - A revised deadline of 31/03/2025 was requested to take account of capacity issues within the team. Extension agreed by Chief Executive.
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



Audit	Report Date	Priority	Agreed Action	Current status	Original Due Date	Current Due Date	Resolution Comments
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
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
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	Extended and not due 0-1 year	31/07/2024	31/12/2024	Oct 24 - Assistant Director now receives invites to the IG Working Group and quarterly updates will be provided.



Audit	Report Date	Priority	Agreed Action	Current status	Original Due Date	Current Due Date	Resolution Comments
							Mechanism is in place, first update is expected by end 2024. Extension agreed by Chief Executive.
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
Cyber Security	May-24	Medium	3.1 – Incident log to be updated and will be discussed at IG quarterly meetings.	Extended and not due 0-1 year	31/07/2024	31/12/2024	Oct 24 - Assistant Director now receives invites to the IG Working Group and quarterly updates will be provided. Mechanism is in place, first update is expected by end 2024. Extension agreed by Chief Executive.
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	Oct 24 - Implementation of the Procurement Act 2023 has been delayed. It will now come into force 24th February 2025 and not the 28th October 2024. However, this will not affect the revision of CPR's - consultation with Senior Officers/CMT/relevant committees has already commenced.

Audit	Report Date	Priority	Agreed Action	Current status	Original Due Date	Current Due Date	Resolution Comments
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	As above.
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	As above.
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	As above.
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	As above.
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	As above.
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	As above.



Audit	Report Date	Priority	Agreed Action	Current status	Original Due Date	Current Due Date	Resolution Comments
IT Asset Management	May-24	Medium	2.1 a) Complete the review of all mobile devices, their current use and number of unsupported devices.	Extended and not due 0-1 year	31/05/2024	31/12/2024	Oct 24 - Progress has been made with this alongside reviewing the new mobile phone contract. This should be finalised by end 2024 in line with the related actions below. Extension approved by Chief Executive.
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	Extended and not due 0-1 year	31/07/2024	31/12/2024	Oct 24 - Some progress has been made with this and is being finalised. Expected completion by end 2024 in line with related actions. Extension approved by Chief Executive.
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



Audit	Report Date	Priority	Agreed Action	Current status	Original Due Date	Current Due Date	Resolution Comments
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.	Extended and not due 0-1 year	30/09/2024	31/03/2025	Oct 24 - Extension requested to 31.03.25 for final review of policy to link with possible connections with digital exclusion action plan and benchmarking with neighbouring authorities policies. Extension approved by Chief Executive.
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.	Extended and not due 0-1 year	30/09/2024	31/03/2025	Oct 24 - Extension requested to 31.03.25 for final review of policy to link with possible connections with digital exclusion action plan and benchmarking with neighbouring authorities policies. Extension approved by Chief Executive.
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.	Extended and not due 0-1 year	31/07/2024	31/03/2025	Oct 24 - This has been delayed slightly as in partnership with other organisations in Lincolnshire, we are reviewing digital exclusion support. Through the Good Things Foundation there are opportunities to safely, and in a compliant way, re-use redundant IT hardware - having a benefit for both residents who are digitally excluded and, on the environment,



Audit	Report Date	Priority	Agreed Action	Current status	Original Due Date	Current Due Date	Resolution Comments
							and climate ambitions. Extension approved by Chief Executive.
VAT / Taxation	Jul-24	Medium	Procedures and operational guidance notes to be updated and shared with relevant members of the Financial Services team. VAT guidance for budget holders to be included in refresh of budget holder manual and training planned for 2024/25.	Not due 0-1 year	31/05/2025	31/05/2025	Not due
Governance Health Check	Jul -24	Medium	1.1 Develop a new internal and external Communications Strategy for the Council in line with the Vision 2030 preparations.	Not due 0-1 year	30/04/2025	30/04/2025	Oct 24 - Good progress made and is on track for completion by deadline.
Governance Health Check	Jul -24	Medium	2.1 Agree to have in place annual meetings for Ethics & Engagement Committee, of which member training is a standing item – so that this committee takes some ownership of the training that members are attending/or should be attending.	Not due 0-1 year	31/10/2024	31/10/2024	Oct 24 - This has been added to the agenda for Ethics and Engagement Committee on 8 January 2025 and will form part of the annual agenda for this meeting in the month of January.
Governance Health Check	Jul -24	Medium	3.1 To compile and continually monitor and review a central record of training provided to each member (and linked to the above), for Ethics & Engagement Committee to assume this monitoring role.	Not due 0-1 year	31/10/2024	31/10/2024	Oct 24 - This will be presented to Ethics and Engagement Committee annually at its January meeting along with the training item as a standing item. We already maintain spreadsheets on attendance, and these are reviewed by political groups periodically as part of their group whip role.



Audit	Report Date	Priority	Agreed Action	Current status	Original Due Date	Current Due Date	Resolution Comments
Governance Health Check	Jul -24	Medium	4.1 To undertake the scrutiny self assessment toolkit as provided by CIPFA, to assess whether the scrutiny function is fit for purpose and whether any improvements can be made.	Not due 0-1 year	31/10/2024	31/10/2024	Oct 24 - This will be completed annually to feed into the scrutiny annual report. This will commence in 2025 as the annual report looking back at 2023 is already well underway so will inform the report looking back at 2024.
Governance Health Check	Jul -24	Medium	4.2 To update the constitution as above, to update the position with regards Select Scrutiny Committee and reports to Council.	Not due 0-1 year	31/10/2024	31/10/2024	Oct 24 - These amendments will be picked up in the next round of amendments to the Constitution.
Online Services (Digital)	Aug-24	Medium	1.1 Accepted. Penetrative testing is being arranged, and we are expecting this to be completed by the end of September 2024. The testing will be done by a third party across all relevant areas that require it.	Extended and not due 0-1 year	30/09/2024	31/12/2024	Oct 24 - Penetration Tests scheduled for November - December across a number of areas. Extension approved by Chief Executive.
Online Services (Digital)	Aug-24	Medium	2.1 Accepted. As LCC host our corporate website as a 'galaxy' site on their web infrastructure, I am in contact with LCC to clarify their DR arrangements. It is my understanding that these are in place, however LCC procured the contract off a framework and I know DR is an optional extra on that CCS contract type. I'm currently awaiting confirmation from them that this is in place and will forward additional information to Audit as it becomes available.	Not due 0-1 year	30/12/2024	30/12/2024	Not due



Audit	Report Date	Priority	Agreed Action	Current status	Original Due Date	Current Due Date	Resolution Comments
Risk Management	Oct-24	Medium	Business Management Team Leader to attend each Directorate DMT and ensure Directorate Risk Registers are fully completed. Guidance Note to be provided to DMT's and Business Management Team setting out requirements.	Not due 0-1 year	30/11/2024	30/11/2024	Not due
Risk Management	Oct-24	Medium	Business Management Team Leader to attend each Directorate DMT and ensure Directorate Risk Registers are fully completed. Guidance Note to be provided to DMT's and Business Management Team setting out requirements.	Not due 0-1 year	30/11/2024	30/11/2024	Not due