



CITY OF
Lincoln
COUNCIL

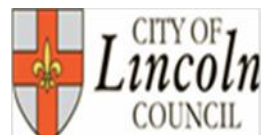
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Appendix A

Audit Agreed Action Implementation Report

City of Lincoln Council
March 2025





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.

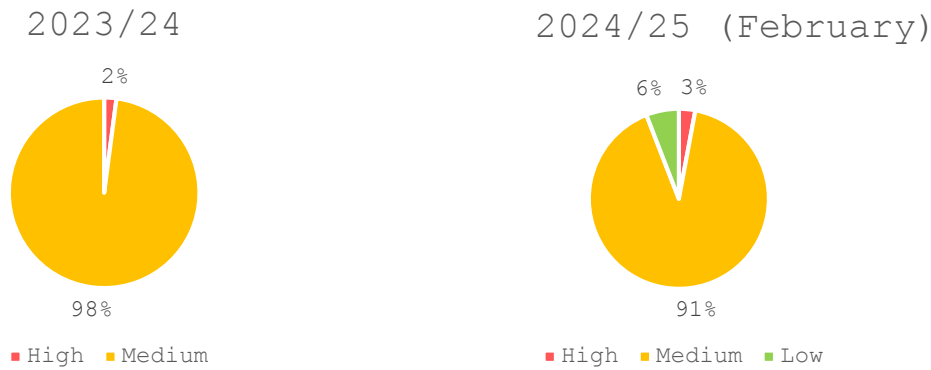
The Purpose of the Report

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:

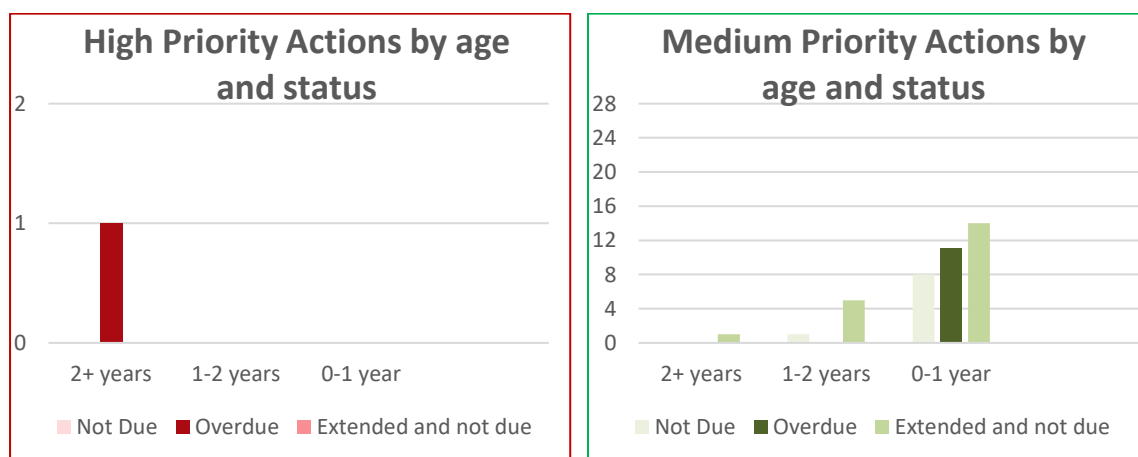


The current implementation rates for reports issued in the year are include below. The rates for 2024/25 will fluctuate up and down as reports are issued.

2023/24	2024/25
88%	47%

There has been no change for 2023/24 and an increase from 39% for 2024/25. 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 45 actions remaining to be implemented in total. These are split in age according to when the reports were issued and current status as follows:-



There were four Low risk actions agreed, two are overdue and two are not yet due.



Progress

A report on the outstanding actions was presented to the Committee in December 2024. The changes in the implementation of actions outstanding are detailed below.

There were two reports, Homelessness Reduction Act and Risk Management 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		
Office 365	May 21	Substantial	0	6	5	0	1	0	↔
Performance Management	Aug 22	Limited	3	1	3	1 (H)	0	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	3	1	↔
IT Asset Management	May 24	Limited	0	11	2	4	3	2	↓
Contract Management	May 24	Limited	2	19	14	0	7 (M)	0	↑
Cyber Security	Mar 24	Substantial	0	5	0	5	0	0	↓
VAT/Taxation	Jul 24	High	0	1	0	0	0	1	↔
Governance Health Check	Jul 24	Substantial	0	5	0	0	4	1	↔
Online Services	Aug 24	Substantial	0	3	1	2	0	0	↓
Council Tax	Nov-24	Substantial	0	6	5	0	0	1	New
Business Continuity	Dec-24	Substantial	0	7	4	0	0	3	New
		Total	5	72	36	12	20	9	

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

External Audit Recommendations

External Audit made seven recommendations following their review of the 2023/24 Statement of Accounts. So far four of these have been completed. The details of these are provided in Appendix 3.



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
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	Feb 25 – information has been shared with service areas to review and manage the storage of information. This has been discussed and cascaded with Assistant Directors and Service Managers and progress continues to be made. Further communication and updates will be provided during quarter 4.
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.	Overdue 2+ years	31/03/2023	31/12/2024	Feb 25 – Good progress has been made and all documentation, data quality checks and control sheets are completed. The revised documentation can now be updated to reference Vision 2030 and taken through for sign off. Extension requested for completion of sign off.
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.



Audit	Report Date	Priority	Agreed Action	Current status	Original Due Date	Current Due Date	Resolution Comments
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.	Extended and not yet due 1-2 years	28/02/2025	30/07/2025	Jan 25 - Extension agreed from 28/02 to 30/07. Extension agreed by Chief Executive.
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	Extended and not yet due 1-2 years	28/02/2025	30/07/2025	Jan 25 - Extension agreed from 28/02 to 30/07. Extension agreed by Chief Executive.
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.	Extended and not yet due 1-2 years	28/02/2025	30/07/2025	Jan 25 - Extension agreed from 28/02 to 30/07. Extension agreed by Chief Executive.

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.	Extended and not yet due 1-2 years	28/02/2025	30/07/2025	Jan 25 - Extension agreed from 28/02 to 30/07. Extension agreed by Chief Executive.
Cyber Security	May-24	Medium	1.1 - Risk register to be updated	Overdue 0-1 year	31/12/2024	31/12/2024	Feb 25 Penetration testing took place in quarter 3, the findings are being reviewed and the risk register updated with the latest findings. This is work in progress and this action can be completed once the final revised risk register is presented. Extension requested to June 2025 – Awaiting approval.
Cyber Security	May-24	Medium	1.2 - Risks to be reported regularly to the appropriate group	Overdue 0-1 year	31/07/2024	31/12/2024	Feb 25 - 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 quarter 4. Extension requested.
Cyber Security	May-24	Medium	2.1 Agreed – Process for managing non-compliant devices in Intune to be reviewed	Overdue 0-1 year	31/12/2024	31/12/2024	Feb 25 – this is work in progress and an assessment of all current devices will be completed by end quarter 4. Extension requested.
Cyber Security	May-24	Medium	3.1 – Incident log to be updated and will be discussed at IG quarterly meetings.	Overdue 0-1 year	31/07/2024	31/12/2024	Feb 25 - Assistant Director now receives invites to the IG Working Group and quarterly updates will be provided. Mechanism is in

Audit	Report Date	Priority	Agreed Action	Current status	Original Due Date	Current Due Date	Resolution Comments
							place, first update is expected by end quarter 4. Extension requested.
Cyber Security	May-24	Medium	3. 2 – Schedule to test incident response plan to be developed.	Overdue 0-1 year	31/12/2024	31/12/2024	Feb 25 – extension requested to maximise the benefits of the test incorporating support available through the Cyber Assessment Framework.
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)	Extended and not yet due 0-1 year	31/12/2024	31/03/2025	Jan 25 - Extended to 31/03/25 on the basis that the Procurement Act was pushed back from Oct 24 to Feb 25. The CPRs are written and are set to be approved by Exec/Council end of Feb/early March. Extension agreed to 31/03/25 by Chief Executive.
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.	Extended and not yet due 0-1 year	31/12/2024	31/03/2025	Jan 25 - Extended to 31/03/25 on the basis that the Procurement Act was pushed back from Oct 24 to Feb 25. The CPRs are written and are set to be approved by Exec/Council end of Feb/early March. Extension agreed to 31/03/25 by Chief Executive.
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.	Extended and not yet due 0-1 year	31/12/2024	31/03/2025	Jan 25 - Extended to 31/03/25 on the basis that the Procurement Act was pushed back from Oct 24 to Feb 25. The CPRs are written and are set to be approved by Exec/Council end of Feb/early



Audit	Report Date	Priority	Agreed Action	Current status	Original Due Date	Current Due Date	Resolution Comments
							March. Extension agreed to 31/03/25 by Chief Executive.
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.	Extended and not yet due 0-1 year	31/12/2024	31/03/2025	Jan 25 - Extended to 31/03/25 on the basis that the Procurement Act was pushed back from Oct 24 to Feb 25. The CPRs are written and are set to be approved by Exec/Council end of Feb/early March. Extension agreed to 31/03/25 by Chief Executive.
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.	Extended and not yet due 0-1 year	31/12/2024	31/03/2025	Jan 25 - Extended to 31/03/25 on the basis that the Procurement Act was pushed back from Oct 24 to Feb 25. The CPRs are written and are set to be approved by Exec/Council end of Feb/early March. Extension agreed to 31/03/25 by Chief Executive.
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	Extended and not yet due 0-1 year	31/12/2024	31/03/2025	Jan 25 - Extended to 31/03/25 on the basis that the Procurement Act was pushed back from Oct 24 to Feb 25. The CPRs are written and are set to be approved by Exec/Council end of Feb/early March. Extension agreed to 31/03/25 by Chief Executive.



Audit	Report Date	Priority	Agreed Action	Current status	Original Due Date	Current Due Date	Resolution Comments
Contract Management	May-24	Medium	10.2 Agreed action (risk registers) to be reflected within the review and redraft of CPR's.	Extended and not yet due 0-1 year	31/12/2024	31/03/2025	Jan 25 - Extended to 31/03/25 on the basis that the Procurement Act was pushed back from Oct 24 to Feb 25. The CPRs are written and are set to be approved by Exec/Council end of Feb/early March. Extension agreed to 31/03/25 by Chief Executive.
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	31/12/2024	Feb 25 – Some progress has been made with this alongside reviewing the new mobile phone contract. Final review of devices expected to be complete by end quarter 4. Extension requested
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.	Overdue 0-1 year	31/12/2024	31/12/2024	Feb 25 – a full review of devices and future options has taken place. This is a large scale piece of work that has interdependencies with software used and devices. A proposal for some new hardware has been prepared. Extension requested.
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	Overdue 0-1 year	31/07/2024	31/12/2024	Feb 25 - Some progress has been made with this and is being finalised. Expected completion by end quarter 4 in line with related actions and replacement

Audit	Report Date	Priority	Agreed Action	Current status	Original Due Date	Current Due Date	Resolution Comments
							hardware will support resolution of this action. Extension requested.
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.	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.	Overdue 0-1 year	31/12/2024	31/12/2024	Feb 25 – progress being made, new hardware will assist with completing this action, linked to actions above. Extension requested.
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



Audit	Report Date	Priority	Agreed Action	Current status	Original Due Date	Current Due Date	Resolution Comments
							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 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.	Extended and not yet due 0-1 year	31/10/2024	31/07/2025	Jan 25 - The E&E Committee has currently been postponed until March. The report will go to this Committee. Extension approved by Chief Executive.

Audit	Report Date	Priority	Agreed Action	Current status	Original Due Date	Current Due Date	Resolution Comments
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.	Extended and not yet due 0-1 year	31/10/2024	31/07/2025	Jan 25 - The E&E Committee has currently been postponed until March. The report will go to this Committee. Extension approved by Chief Executive.
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.	Extended and not yet due 0-1 year	31/10/2024	31/07/2025	Jan 25 - The self assessment will be completed by each scrutiny committee as part of the annual report work looking back over the previous municipal year. Extension approved by Chief Executive.
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.	Extended and not yet due 0-1 year	31/10/2024	31/07/2025	Jan 25 - A report is expected to be presented to Council in July 2025 with relevant amendments. Extension approved by Chief Executive.
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.	Overdue 0-1 year	30/09/2024	31/12/2024	Feb 25- Penetration Tests took place in quarter 3 across a number of areas. Findings are currently being reviewed and will be finalised by end of quarter 4. Extension requested.
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	Overdue 0-1 year	30/12/2024	30/12/2024	Feb 25 – Requests for clarification on third party DR arrangements have been made. Update will be shared as soon as this is available.

Audit	Report Date	Priority	Agreed Action	Current status	Original Due Date	Current Due Date	Resolution Comments
			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.				
Council Tax	Nov-24	Medium	5b. The report showing accounts under review will be divided up for the Recovery Team to review and update accordingly. Due to the high volume this will be a rolling review.	Not due 0-1 year	30/04/2025	30/04/2025	Not due.
Business Continuity	Dec-24	Medium	1.1. As BCP's are refreshed the location of copies held will be reviewed and updated as appropriate.	Not due 0-1 year	30/04/2025	30/04/2025	Not due.
Business Continuity	Dec-24	Medium	3. To incorporate BCRA, BIA and Combined Assessments review dates into Tracker Spreadsheet (this will be done as part of Year One of new Operational Framework)	Not due 0-1 year	31/12/2025	31/12/2025	Not due.
Business Continuity	Dec-24	Medium	6. Extra-ordinary (outside of Operational Framework) training session for Service Managers/Assistant Directors to be provided.	Not due 0-1 year	31/12/2025	31/12/2025	Not due.



Appendix 3 – External Audit Recommendations

Recommendation	Management Response	Status	Update
1. Related Party Transactions	Management will review the Declaration of Interest form and process to ensure its fit for purpose ahead of the 2024/25 Statement of Account process.	In Progress	The process is yet to be either reviewed or undertaken for 2024/25.
2. Journals	Management are satisfied that journal entry is limited to only appropriately qualified and/or experienced officers largely mitigating the risk of incorrect journal postings.	Complete	No further action required.
3. Preparation of staff disclosures	Management will ensure a full review of disclosures within the draft accounts are built into the year-end timetable and completed ahead of audit commencement moving forward.	Complete	Reviewing officers have been allocated for all core statements, notes and disclosures as part of the closedown timetable for 2024/25. The timetable will be frequently reviewed to ensure all actions are completed by appropriate officers in a timely manner.
4. Review of Bank reconciliations	Management will ensure monthly bank reconciliations are performed and reviewed prior to the end of the next period i.e. within the following month.	Complete	Bank reconciliations are currently complete and reviewed up to January 2025.
5. Housing Repairs Service (HRS) – authorisation of timesheets	Management will ensure timesheets are checked and approved in a timely manner with no timesheet being submitted to payroll until authorised by a team leader.	Complete	Management has implemented checks to ensure any timesheets unsigned are returned to Team Leaders for sign off prior to processing.
6. Fixed Asset Register	Management believe that whilst system based alternatives are available the spreadsheet currently used, whilst complicated, is fit for purpose. Staff turnover and vacancies over the years had unfortunately led to a lack of understanding around the spreadsheet and an inconsistent treatment of items within it. The Finance Team is now fully established and has started a review of the Fixed Asset Register spreadsheet highlighting issues that were corrected in year. The register will be part of an	In Progress	This is an ongoing process with no major changes made to fixed asset register for 2024/25.



Recommendation	Management Response	Status	Update
	ongoing review striving for improved practices and efficiencies in a both complicated and material area of the statements.		
7. Impairment review process	Moving forward a documented review process for all assets will be undertaken ensuring all assets are held at an appropriate value.	In Progress	An existence and impairment review process is currently underway as part of the 2024/25 closedown process in conjunction with asset owners.