



CITY OF  
*Lincoln*  
COUNCIL

# Internal Audit Agreed Action Progress Report



## June 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 although progress is being made to move it to a bespoke forms based system through the internal Business Development Team.

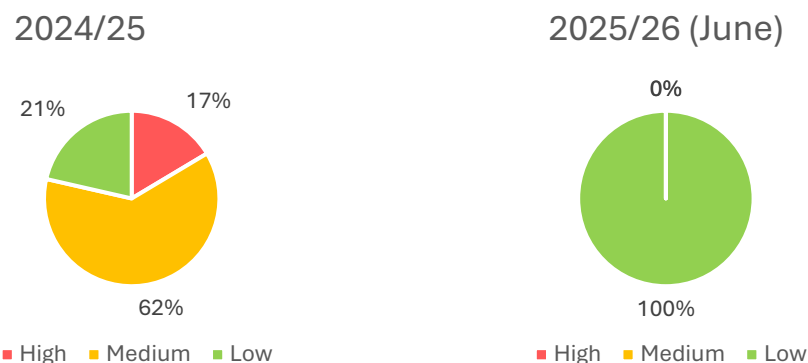
There is a protocol in place (See Appendix 1) which sets out the roles and responsibilities for all in the follow-up process.

## 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 2024/25 and 2025/26 to date:

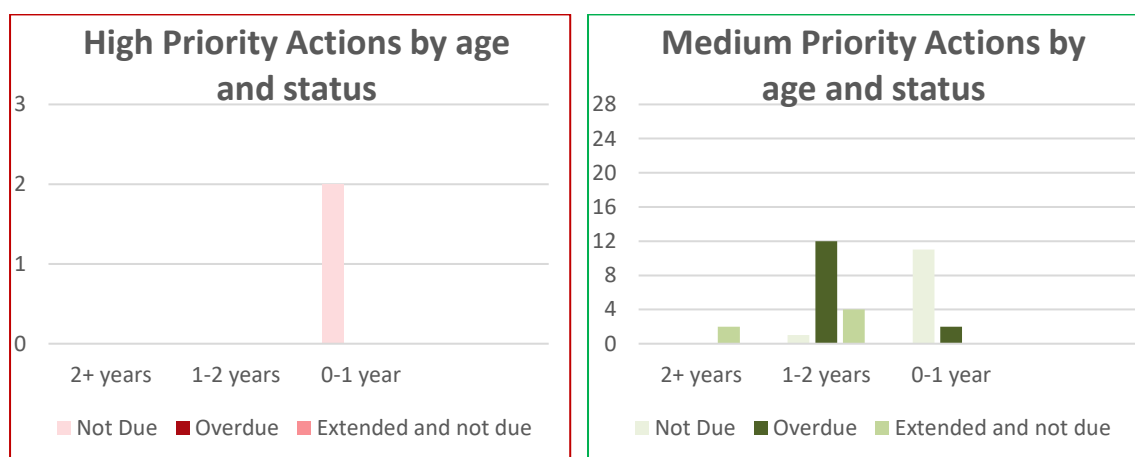


The current implementation rates for reports issued in the year are included below. The rates for 2025/26 will fluctuate up and down as reports are issued.

2023/24	2024/25	2025/26
88%	75%	0%

There are 2 agreed actions for 2025/26 which have not yet been implemented, and an increase from 47% to 75% for the implementation of actions raised in 2024/25. There has been no change for 2023/24 and a reduction from 3 to 2 remaining agreed actions for reports issued prior to 2023/24. These have been extended and are not yet due.

In total there are 44 actions remaining to be implemented. These are split in age according to when the reports were issued and current status as follows:-



There were ten Low risk actions agreed, one is overdue and the remainder are not yet due. There was one Low risk action which was not agreed within the Town Deal audit. This related to including a declaration of interests register for Board and Sub-Committee members and Terms of Reference for the Sub-Committee on the website.



This was not agreed as it was considered that the current process was sufficient. All declarations of interest are recorded within the Minutes of meetings which are published on the web-site and the Sub-Committee updates are provided at each Town Deal Board meeting and minuted.

## Progress

A report on the outstanding actions was presented to the Committee in March 2025. The changes in the implementation of actions outstanding are detailed below.

There were seven reports, Performance Management, Council Tax, Contract Management, Contract Management Follow up, VAT/Taxation, Risk Management and Housing Benefit/Council Tax Support key control 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	↔
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	3	8	0	0	↓
Cyber Security	Mar 24	Substantial	0	5	2	3	0	0	↑
Governance Health Check	Jul 24	Substantial	0	5	4	1	0	0	↑
Online Services	Aug 24	Substantial	0	3	1	2	0	0	↔
Business Continuity	Dec-24	Substantial	0	7	4	0	0	3	↔
LinCare	Mar-25	Consultancy	2	1	1	0	0	2	New



Audit	Report date	Assurance	No. of Actions		Comp.	Outstanding		Not yet due	Progress
			H	M		Overdue	Extended		
Debtors	Apr-25	Limited	7	3	9	0	0	1	New
Housing Assistance	Apr-25	Substantial	0	6	3	0	0	3	New
Fleet	Apr-25	Limited	9	9	16	0	0	2	New
Town Deal	Apr-25	Substantial	0	3	1	0	0	2	New
		<b>Total</b>	<b>18</b>	<b>67</b>	<b>51</b>	<b>14</b>	<b>6</b>	<b>14</b>	

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

There are five new reports which have been added to the table and it is reassuring that there are no overdue actions for these and most of the agreed actions for the new Limited reports have been implemented.

Progress on the older (2023/24 and earlier) reports remains unchanged with a number of actions with extensions. The progress being made is recorded within Appendix 2.

As reported in March, the majority of the overdue actions relate to IT and this remains the case within this report. The Assistant Director Strategic Development provided an update to the Audit Committee in June, stating that most of the actions should be completed by the end of July 2025. A further update has been provided in Appendix 2 and a meeting has been arranged at the end of July to go through the actions and update the progress. CMT are also monitoring these actions, requiring periodic reports to be provided.

The quarterly spot checks have been completed for 2024/25, a report will be produced for management and a summary provided to the Audit Committee as part of the Progress report.

## Follow-up Audits – Limited/Low reports

The contract management follow-up was completed as required by the protocol and all actions have been completed for both the original report as well as the additional actions from the follow-up report.

A follow-up has not yet been programmed in for the IT Asset management audit due to most of the actions remaining as outstanding. This will be scheduled in at a later date.

A follow-up for Fleet is included within the 2025/26 Internal Audit Plan and is programmed to take place in Quarter 4.

The Debtors follow-up was not included within the 2025/26 plan due to the timing of the draft report so will be considered as either a change to the 2025/26 plan or for inclusion in Quarter 1 of the 2026/27 plan.

## **External Audit Recommendations**

External Audit made seven recommendations following their review of the 2023/24 Statement of Accounts. These have all now 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	Jun 25 - Classification and data policies are being updated. This included a cleansing exercise which has so far reduced the number of obsolete documents from 10million to 7.5million stored on Council servers. A project team has been set up to continue momentum and an internal spring clean campaign has been promoted for managers and teams to get on board.
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 2+ years	30/09/2023	30/09/2025	Jun 25 - An upcoming exercise on disaster recovery is being co-ordinated with neighbouring authorities and the Lincolnshire Resilience Forum with support from industry experts provided by the National Cyber Security Centre.
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	May 25 - Work has started on producing these but have had to prioritise other work following another audit so requested an extension to 30/09/25. 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	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.	Not 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	1.2 - Risks to be reported regularly to the appropriate group	Overdue 1-2 years	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 1-2 years	31/12/2024	31/12/2024	Jun 25 - A review of mobile phones has been undertaken across the organisation. A procurement exercise will begin shortly, followed by a roll out of new devices to employees. Devices will then be monitored regularly for non-compliance with policies. Extension requested.
Cyber Security	May-24	Medium	3. 2 – Schedule to test incident response plan to be developed.	Overdue 1-2 years	31/12/2024	31/12/2024	Jun 25 - The anticipated exercise has been rescheduled. A brief desktop exercise of the ICT DR plan has been undertaken. Due to changes and planned upcoming developments in the ICT infrastructure, it has been identified that further work will be undertaken once those changes are in place.

Audit	Report Date	Priority	Agreed Action	Current status	Original Due Date	Current Due Date	Resolution Comments
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 1-2 years	31/12/2024	31/12/2024	Jun 25 - A review of mobile phones has been undertaken across the organisation. A procurement exercise will begin shortly, followed by a roll out of new devices to employees. Devices will then be monitored regularly for non-compliance with policies. 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	Overdue 1-2 years	31/03/2025	31/03/2025	Jun 25 -The authority has recently provided funding to replace a significant amount of desktop equipment. This will have significant impact on the current monitoring processes. Once these devices have been rolled out, the process will be reviewed and refined further.
IT Asset Management	May-24	Medium	2.2 b) Undertake an interim action of asset review across all services	Overdue 1-2 years	31/07/2024	31/12/2024	Jun 25 – As 2.2a
IT Asset Management	May-24	Medium	3.1 A final roadmap for decommissioning all unsupported SQL Server databases to be developed and agreed.	Overdue 1-2 years	31/12/2024	31/12/2024	Jun 25 - Some existing legacy systems are still in operation. Whilst there are significant projects underway to replace these, they are not expected to be completed until mid 2026.

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.	Overdue 1-2 years	30/09/2024	31/03/2025	Jun 25 - Policies have been reviewed internally. A consultant has been engaged to give further assurance before they are signed off.
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.	Overdue 1-2 years	30/09/2024	31/03/2025	Jun 25 – As 2.2a.
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 1-2 years	31/12/2024	31/12/2024	Jun 25 – As 2.2a.
IT Asset Management	May-24	Medium	6.1 Review options for formal contract for the secure disposal of redundant IT hardware.	Overdue 1-2 years	31/07/2024	31/03/2025	Jun 25 - A supplier has been identified and final agreement on the Contract is almost complete.
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.	Overdue 1-2 years	30/04/2025	30/04/2025	Jun 25 - the likelihood of LGR taking place in the county has resulted in a delay due to a likely change of focus. Now expected by 30 September, aligned with Vision 2030. Significant progress made already, with fine-tuning required. Extension awaiting approval.



Audit	Report Date	Priority	Agreed Action	Current status	Original Due Date	Current Due Date	Resolution Comments
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	May 25 - Whilst LCC carry out weekly vulnerability scans these are not configured to scan lincoln.gov.uk as they are not responsible for it. Meeting with IT later this month to discuss and plan what we do next. 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 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.	Overdue 0-1 year	30/12/2024	30/12/2024	May 25 Our contract covers raising tickets/support (first response time is 30 mins access is 24/7) but the upgrades/general maintenance elements are on LCC infrastructure and are planned around them. If there are any down time, Jadu will contact us initially and will contact us every hour with updates if there are issues. Their T&C's cover that they will get us up and running within 12 hours or sooner.
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.

Audit	Report Date	Priority	Agreed Action	Current status	Original Due Date	Current Due Date	Resolution Comments
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.
LinCare	Mar-25	High	4.1 To investigate is incident reporting and analysis already happening on a corporate level which will supersede this recommendation. If this is not happening on corporate level, to develop this as part of the impending internal LinCare review.	Not due 0-1 year	31/12/2025	31/12/2025	Not due.
LinCare	Mar-25	Medium	6.1 Will develop a procedure/ guidance note for instances of downtime including actions to be taken, recording and analysis. This will be incorporated within the impending internal LinCare review.	Not due 0-1 year	31/12/2025	31/12/2025	Jun 25 - to Mirror CareLink's as our downtime is their downtime to discuss with CareLink at June 2025 meeting.
Debtors	Apr-25	Medium	1.2 A process will be developed, implemented and documented for management checks of new customer accounts and data cleansing.	Not due 0-1 year	30/09/2025	30/09/2025	Not due.
Housing Assistance	Apr-25	Medium	1.2 Dependant on the decision made, a detailed plan and timeline will be developed for implementation ahead of the next 2026/27 policy cycle.	Not due 0-1 year	31/03/2026	31/03/2026	Jun 2025 - The review and update has commenced with dates set for Policy Scrutiny Approval Followed by Executive approval. Completion date is set 01/01/2026.



Audit	Report Date	Priority	Agreed Action	Current status	Original Due Date	Current Due Date	Resolution Comments
Housing Assistance	Apr-25	Medium	2.2 Available software options for aiding improvements against the highlighted findings will continue to be explored, within the recognised limitations of the CIVICA APP system.	Not due 0-1 year	31/03/2026	31/03/2026	Jun 25 - Review of Civica Templates has taken place and improved. Staff have been informed of the essential need to include all data regarding the grant on APP and all documents to be linked within APP so all can be accessed. Further improvements to APP and case management in line with Policy Review and update.
Housing Assistance	Apr-25	Medium	4.1 Clear documented procedures will be ensured that set out the delegated approval rights and financial limits of officers, and show compatibility with financial procedure rules. Scope for enhancing this content directly within the Private Housing Health Assistance Policy will also be considered as part of the agreed Management Action for Finding 1.	Not due 0-1 year	31/08/2025	31/08/2025	Jun 25 - Review and discussions have occurred with Head of Service, AD and Team Leader. A full documented procedure is being produced in line with the full policy review and update
Fleet	Apr-25	Medium	5.2 Stakeholder approval will be sought.	Not due 0-1 year	31/12/2025	31/12/2025	May 25 - report due to go to JCC on the 03/06/2025
Fleet	Apr-25	High	13.1 A review will be carried out of the requirements for repairs and maintenance of the non-leased vehicles and advice sought from Procurement on the action required to ensure compliance and value for money. The Insurance Officer will be informed of the position.	Not due 0-1 year	30/09/2025	30/09/2025	May 25 - Procurement exercise in progress.

Audit	Report Date	Priority	Agreed Action	Current status	Original Due Date	Current Due Date	Resolution Comments
Town Deal	Apr-25	Medium	2.1 Profiles will be added to the Town Deal Website	Not due 0-1 year	30/09/2025	30/09/2025	Not due.
Town Deal	Apr-25	Medium	2.2 A link to the Board's Communications and Engagement Strategy will be included on the website.	Not due 0-1 year	30/09/2025	30/09/2025	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.	Complete	For 2024/25 a review of all material suppliers has been added to the process, these suppliers are then checked against companies house to identify any potential declarations of interest in the year.
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	Complete	The fixed asset register is deemed to be fit for purpose, but will be subject to ongoing continuous review. No major changes were required during 2024/25.



Recommendation	Management Response	Status	Update
	Asset Register spreadsheet highlighting issues that were corrected in year. The register will be part of an 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.	Complete	An existence and impairment review process has been undertaken as part of the 2024/25 closedown process in conjunction with asset owners. Ongoing, asset reviews will be undertaken within DMT's throughout 2025/26.