

Internal Audit Recommendations Report



South Holland District Council March 2023

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Lucy Pledge - Head of Internal Audit

Lucy.Pledge@lincolnshire.gov.uk

Matthew Waller- Audit Manager

Matthew.Waller@lincolnshire.gov.uk

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The matters raised in this report are only those that came to our attention during the course of our work – there may be weaknesses in governance, risk management and the system of internal control that we are not aware of because they did not form part of our work programme, were excluded from the scope of individual audit engagements, or were not brought to our attention. The opinion is based solely the work undertaken as part of the agreed internal audit plan.

Introduction

- 1.1 This report is being issued to assist the Authority in discharging its responsibilities in relation to the internal audit activity.
- 1.2 The Public Sector Internal Audit Standards also require the Chief Audit Executive to establish a process to monitor and follow up management actions to ensure that they have been effectively implemented or that senior management have accepted the risk of not taking action. The frequency of reporting and the specific content are for the Authority to determine.
- 1.3 To comply with the above this report includes:
 - The status of agreed actions.

2. FOLLOW UP PROCESS

- 2.1 As a result of audit recommendations raised, management agree action to ensure implementation within a specific timeframe and by a responsible officer.
- 2.2 Recommendations and actions are entered onto the Audit system – Pentana. Every Quarter a report of outstanding actions is run from Pentana and presented to the Senior Leadership Team (SLT) for them to obtain the current position through the performance team and report back to Audit. Management action undertaken to date is then input into Pentana and when reported as being complete the recommendation is marked as complete. Where an extension has been requested this is recorded and reported to the next Governance and Audit Committee meeting.
- 2.3 Non responses are referred to the S151 Officer to chase where the actions are overdue. If responses are still not received this is reported to SLT and the Governance and Audit Committee.
- 2.4 Where an audit has received a No or Limited Assurance opinion a follow-up audit is undertaken to obtain evidence that the recommendations have been implemented.

STATUS OF RECOMMENDATIONS

3.1 Appendix 1 to this report shows the details of the progress made to date in relation to the implementation of all agreed internal audit recommendations and reflects the year in which the audit was undertaken to enable the Committee to easily identify old outstanding recommendations. The table also identifies outstanding recommendations that have previously been reported to this Committee and then those which have become outstanding during this period.

3.2 In 2020/21 a total of 28 recommendations were raised in total. Of these 25 have been completed. Three in total (two important and one needs attention) recommendations are outstanding. Details of outstanding important recommendations can be found at **Appendix 3** of this report.

Number raised	28	
Complete	25	89%
Outstanding	3	11%

3.3 In 2021/22, a total of 50 recommendations have been raised. 22 of these have been completed, and 16 recommendations are not yet due.

Number raised	50	
Complete	22	44%
Outstanding	12	24%
Not yet due	16	32%

3.4 In 2022/23, to date 10 recommendations have been raised. 6 of these have been completed, and 2 recommendations are not yet due.

Number raised	10	
Complete	6	60%
Outstanding	2	20%
Not yet due	2	20%

3.5 Progress continues to be made in addressing historical outstanding recommendations. The internal audit team will continue to work with management to verify and close recommendations.

Committee Recommendation

Members discuss the position in relation to the completion of agreed Internal Audit Recommendations and comment on the proposed extensions highlighted in red in Appendix 2.

Appendix 1

Summary position all internal audit recommendations

Audit	Assurance	Completed btwn 01/04/22 to 31/01/23			Previously reported to Committee as outstanding			(New) Outstanding			Total Outstanding	Not yet due for implementation		
		Priority 1	Priority 2	Priority 3	Priority 1	Priority 2	Priority 3	Priority 1	Priority 2	Priority 3		Priority 1	Priority 2	Priority 3
2020/21 Internal Audit Reviews														
PSPS SH2104 Accounts Receivable	Reasonable						1				1			
SH2108 Asset Management	Reasonable		1			2					2			
2021/22 Internal Audit Reviews														
SH2212 Cyber Security	Reasonable		4	8							0			
PSPS Payroll	Reasonable		1								0			
SH2201 Performance Management	Reasonable										0			1
SH2210 Housing Needs, Allocations, Homelessness and Housing Register	Reasonable					3				1	4			
SH2211 Private Sector Housing	Limited		4	2	3	1					4			
SH2202 Human Resources	Reasonable		1	1		2				1	3			
SH2206 Health and Safety	Limited										0		1	
SH2208 Licencing	Substantial			1						1	1			
Key Controls - Accounts Receivable	Reasonable											3		4
Key Controls - Accounts Payable	Reasonable											3		4
2022/23 Internal Audit Reviews														
IT Problems and Change Management	Reasonable		1	2										
Economic Growth	Substantial			2										
SH2301 Procurement and Contract Management	Reasonable		1							2	2		1	3
Totals		0	13	16	3	8	1	0	0	5	17	6	2	12

Appendix 2

Audit Recommendations - Outstanding

2020/21

Audit	Priority	Recommendation	Owner	Original Due Date	Current Due Date	Times Revised	Resolution	Resolution Comments - Latest
SH2108 Asset Management	Important	Recommendation 3. A planned maintenance programme be developed and complied with, for the Council's operational assets and this be subject to regular review.	Strategic and Operational Property Manager	Aug-21	Dec-22	1	Not Actioned	No comments received.
SH2108 Asset Management	Important	The Asset Management Strategy (AMS), Corporate Land and Property Policy, and the Land Sales Procedure be updated and merged as one document and be made available to relevant staff members.	Strategic and Operational Property Manager	Oct-21	Sep-22	2	Not Actioned	No comments received.
PSPS SH2104 Accounts Receivable	Needs attention	Recommendation 5: A diminimus level should be included in the Accounts Receivable Protocol – 2018 document below which sundry debts are considered 'uneconomical to pursue'.	Strategic Finance and Compliance Manager & Team Leader Revenues and Recovery	Sep-21	Jun-22	1	Not Actioned	No further comments received. Oct 22 - Members to be consulted in regards to their view on introducing a diminimus level to indicate level of debt which is uneconomical to pursue for sundry debtors. Deadline extended to 30 June 2022 to allow for enough time to action.

Appendix 2

Audit Recommendations - Outstanding

2021/22

Audit	Priority	Recommendation	Owner	Original Due Date	Current Due Date	Times Revised	Resolution	Resolution Comments - Latest
SH2202 Human Resources	Important	Recommendation 1: To complete a reconciliation between establishment costs and assigned budgets. Establishment reports should be sent to senior managers to confirm that all employees have been verified and that HR/Payroll and Finance systems are aligned. For additional assurance a signature verification procedures for managers should be produced.	Deputy Head of HR and HR Manager – Operations	Oct-22	Oct-22	0	Not Actioned	Jan 23 - HR have worked with PSPS finance to match people in post and vacant posts to Budgets for 22/23 and cleansed the HR system. Following this cleanse headcount reports have been run from the HR system and shared with managers in SHDC - managers have responded 20/1/23; ELDC managers were sent reports 20 Jan with deadline to respond 3/2 and BBC will be sent w/c 30 Jan with deadline mid Feb 2023. HR have planned with Finance to review again posts 23/24 budget finalised and will build in quarterly checks. Proposed revised date of Mar 23.
SH2202 Human Resources	Important	Recommendation 3: To undertake PDRs with evidence of outcomes retained accordingly.	Deputy Head of HR and HR Manager – Operations	Oct-22	Jun-23	1	Not Actioned	Jan 23 - Client have re-evaluated and looking to roll out implementation of objective setting by April 23 (Sept 23 for Environmental services).

Appendix 2

Audit Recommendations - Outstanding

Audit	Priority	Recommendation	Owner	Original Due Date	Current Due Date	Times Revised	Resolution	Resolution Comments - Latest
SH2202 Human Resources	Needs Attention	Recommendation 5: To report sickness absence in greater detail, including a breakdown of absences over time, to enable line managers the capability and capacity to monitor and review sickness absence more effectively.	Human Resources Manager – Operations	Nov-22	Nov-22	0	Not Actioned	Jan 23 – no change. Dec 22 - Delayed resolution to the self serve roll-out, - changed to end of Feb 23 - progress has been made - A Legitimate Interest Assessment form has been completed and recently shared with PSPS DP lead to review with IG. Subject to this the above resolution can be put in place. Proposed revised date of Feb 23.
SH2210 Housing Needs, Allocations, Homelessness and Housing Register	Important	Recommendation 2: All decision letters be uploaded to the relevant case.	Homelessness Reduction and Private Sector Improvement Manager	Aug-22	Mar-23	1	Underway	Jan 23 – no change. Oct 22 - Additional time has been added to appointments to ensure that caseworker can complete all actions following their full assessments on the same day. Cases are regularly reviewed at weekly team meetings to ensure that all documents are uploaded to the system. Due to new drives of recruitment and training needs we anticipate consistency in this area by March 2023.

Appendix 2

Audit Recommendations - Outstanding

Audit	Priority	Recommendation	Owner	Original Due Date	Current Due Date	Times Revised	Resolution	Resolution Comments - Latest
SH2210 Housing Needs, Allocations, Homelessness and Housing Register	Important	Recommendation 1: Full assessments of homelessness applications be completed as soon as possible after the application is received. Performance in this regard should be monitored to ensure that applications are assessed within a pre-determined timescale.	Homelessness Reduction and Private Sector Improvement Manager	Aug-22	Mar-23	1	Underway	Jan 23 – no change. Oct 22 - Full assessments of homelessness applications are currently being allocated to caseworkers on a calendar rota. Timescales for appointment availability mean that clients are waiting for around 21 days to be seen due to a staffing capacity. Once full recruitment of the team has been completed the timescales should be shortened and we will have all assessments completed within 10-14 days. We are processing emergency homelessness applications within 24-48 hours of approach if it has been identified that they are eligible for emergency accommodation. Whilst the team continue to face a period of unprecedented demand we anticipate the team will be stabilised by March 2023.

Appendix 2

Audit Recommendations - Outstanding

Audit	Priority	Recommendation	Owner	Original Due Date	Current Due Date	Times Revised	Resolution	Resolution Comments - Latest
SH2210 Housing Needs, Allocations, Homelessness and Housing Register	Important	Recommendation 3: Personal Housing Plans be created and regularly updated for all homelessness cases accepted by the Council	Homelessness Reduction and Private Sector Improvement Manager	Aug-22	Apr-23	1	Underway	Jan 23 – no change. Oct 22 - Personal Housing Plans are being created and regularly updated by caseworkers with PHP reviews. Training continues to be given as we have now moved to a new case management system (Northgate) and there will shortly be a recruitment process which means that new staff will need to be trained. We aim to have this resolved by April 2023.
SH2210 Housing Needs, Allocations, Homelessness and Housing Register	Needs Attention	Recommendation 4: When a duty comes to an end, a prompt decision be made about whether the case should be progressed to the next stage or be closed.	Homelessness Reduction and Private Sector Improvement Manager	Nov-22	Mar-23	1	Underway	Jan 23 – no change. Oct 22 - Cases are being reviewed and caseworkers are diarising dates for when the duty ends on their cases with decisions being made as soon as possible. Training is still being given on closing down cases on the case management system as new staff members join the team, however once full training is given this will be monitored by the Team Leader. We aim to have this resolved by March 2023.

Appendix 2

Audit Recommendations - Outstanding

Audit	Priority	Recommendation	Owner	Original Due Date	Current Due Date	Times Revised	Resolution	Resolution Comments - Latest
SH2211 Private Sector Housing DFGs	Urgent	Recommendation 1. For a report to be designed in Assure that allows for a list to be produced of all HMOs showing a full audit trail of the inspection history and the date the next inspection is due. This report to be run regularly and reviewed by management to ensure all scheduled inspections are taking place. Any outstanding inspections to be completed forthwith.	Homelessness Reduction and Private Sector Improvement Manager	Jul-22	Jul-22	0	Underway	<p>Jan 23 – no change.</p> <p>Oct 22 - There is currently no facility in Assure to produce an automated report described in the recommendation. It is still in the design and build stage with Northgate.</p> <p>However, there is currently a list of all licensed HMOs which is produced manually on an Excel spreadsheet and published on the website. All HMOs on Assure are manually reviewed using a diary system to ensure all scheduled inspections are taking place. This also allows for a manual audit trail. All scheduled inspections are taking place and are completed as part of BAU. All HMOs have had at least one inspection in the 5 year period required under regulations (approximately 10 are outstanding and are all booked for inspection over the next 2 months).</p> <p>The implementation for Northgate is anticipated to be 6-9 months.</p> <p>Proposed revised date 6-9 months.</p>

Appendix 2

Audit Recommendations - Outstanding

Audit	Priority	Recommendation	Owner	Original Due Date	Current Due Date	Times Revised	Resolution	Resolution Comments - Latest
SH2211 Private Sector Housing DFGs	Urgent	Recommendation 2. For a report to be designed in Assure that allows for a list to be produced of all HMOs subject to enforcement action including a full audit trail of the enforcement history, both past action and the date the next inspection is due. This report to be run regularly and reviewed by management to ensure all scheduled inspections are taking place.	Homelessness Reduction and Private Sector Improvement Manager	Jul-22	Jul-22	0	Not Actioned	Jan 23 – no change. Oct 22 - The report required to enable more of the process to be automated is still in the design and build stage with Northgate. However, enforcement action and audit trail for enforcement action is available manually. The team are able to utilise a diary system built in to Assure which flags outstanding tasks etc. All scheduled inspections are taking place. The implementation for Northgate is anticipated to be 6-9 months. Proposed revised date 6-9 months.
SH2211 Private Sector Housing DFGs	Urgent	Recommendation 3. For a report to be designed in Assure that allows for a list to be produced detailing the status of follow up action where an enforcement notice has been issued. This report to be run regularly and reviewed by management to ensure all scheduled inspections are taking place.	Homelessness Reduction and Private Sector Improvement Manager	Jul-22	Jul-22	0	Not Actioned	Jan 23 – No change Oct 22 - The report required to enable more of the process to be automated is still in the design and build stage with Northgate. However, the team are able to utilise a diary system to ensure follow up on enforcement notices which have been issued. The implementation for Northgate is anticipated to be 6-9 months. Proposed revised date 6-9 months.

Appendix 2

Audit Recommendations - Outstanding

Audit	Priority	Recommendation	Owner	Original Due Date	Current Due Date	Times Revised	Resolution	Resolution Comments - Latest
SH2211 Private Sector Housing DFGs	Important	Recommendation 7. The Council's PSH Team review its approach to overseeing administration of empty homes to align to the priorities within the Empty Homes Strategy whilst at the same time taking in to account the actual numbers of empty properties in the district and available resources. This could include looking to share resources with Boston BC and East Lindsey DC, through the new Alliance.	Homelessness Reduction and Private Sector Improvement Manager	Sep-22	Sep-22	0	Not Actioned	Jan 23 – No change Oct 22 - The team are currently working on updating the empty homes spreadsheet with recent data from Council Tax. A process has been designed in line with the strategy. This process will be implemented as soon as all records are up-to-date. The team have received supporting advice and resources through the new Alliance. Proposed revised date.
SH2208 Licencing	Needs Attention	Recommendation 1: Hackney Carriage and Private Hire Licensing Procedures Policy be updated to ensure this includes the new standards and another changes in practice.	Public Protection Manager	Dec-22	Dec-22	0	Not Actioned	Feb 23 - An extraordinary meeting of the Licensing Committee has been requested on 15th March for the Committee to consider the draft revised Taxi Licensing Policy, prior to formal statutory consultation for a recommended period of 12 weeks. A further Committee will then be convened in late June to approve the policy following consultation. It is therefore anticipated that the final policy will be published in July 2023. Proposed revised date July 2023.

Appendix 2

Audit Recommendations - Outstanding

2022/23

Audit	Priority	Recommendation	Owner	Original Due Date	Current Due Date	Times Revised	Resolution	Resolution Comments - Latest
SH2301 Procurement	Needs Attention	To publish, on the Council's website, updated versions of the Contracts Register, in accordance with the Local Government Transparency Code 2015.	Procurement and Contracts Manager / Officer	Oct-22	Oct-22	0	Not actioned	No response
SH2301 Procurement	Needs Attention	Attach the Exemptions Register to the quarterly procurement report to Senior Leadership Team for information, oversight and scrutiny.	Procurement and Contracts Manager / Officer	Oct-22	Oct-22	0	Not actioned	No response