Watford Borough Council
Audit Committee Progress Report
15 September 2022

Recommendation

Members are recommended to:
- Note the Internal Audit Progress Report for the period to 2 September 2022
- Approve amendments to the Audit Plan as at 2 September 2022
- Agree the change to the implementation date for four recommendations (paragraph 2.6) for the reasons set out in Appendix C
- Agree removal of implemented audit recommendations set out in Appendix C
- Note the implementation status of high priority recommendations

Contents

Appendices

1. Introduction and Background

<u>Purpose of Report</u>

1.1 This report details:

a) Progress made by the Shared Internal Audit Service (SIAS) in delivering the Council's Annual Internal Audit Plan for 2022/23 as at 2 September 2022.
b) Proposed amendments to the approved 2022/23 Internal Annual Audit Plan.
c) Implementation status of all outstanding previously agreed internal audit recommendations from 2018/19 onwards.
d) An update on performance management information at 2 September 2022.

<u>Background</u>

1.2 The work of internal audit is required to be reported to a Member Body so that the Council has an opportunity to review and monitor an essential component of corporate governance and gain assurance that its internal audit provision is fulfilling its statutory obligations. It is considered good practice that progress reports also include proposed amendments to the agreed annual audit plan.

1.3 The 2022/23 Annual Audit Plan was approved by Audit Committee on 10 March 2022.

1.4 The Audit Committee receives periodic updates on progress against the Annual Audit Plan from SIAS, the most recent of which was brought to this Committee on 28 July 2022.

2. Audit Plan Update

<u>Delivery of Audit Plan and Key Audit Findings</u>

2.1 As at 2September 2022, 27% of the 2022/23 Audit Plan days had been delivered for the combined WBC and Shared Services audit plans (excludes 'To Be Allocated' days). Appendix A provides a status update on each individual deliverable within the audit plan.

2.2 The following 2021/22 final report has been issued since July 2022 Audit Committee:

Audit Title	Date of Issue	Assurance Level	Number and Priority of Recommendations
Operational Buildings Compliance	July 2022	Limited	Four high Three medium

2.3 The following 2022/23 reports have been finalised since July Audit Committee:

Audit Title	Date of Issue	Assurance Level	Number and Priority of Recommendations
Contain Outbreak Management Fund (COMF) Grant	July 2022	Unqualified	N/A

Status of Audit Recommendations

2.4 Audit Committee Members will be aware that a Final Audit Report is issued when it has been agreed by management and includes an agreement to implement the recommendations made. It is SIAS's responsibility to bring to Members' attention the implementation status of all audit recommendations. It is the responsibility of officers to implement recommendations by the agreed date.

2.5 The table below summarises progress in implementation of all outstanding internal audit recommendations as at 2 September 2022, with full details in Appendix C:

Year	Recommendations made No.	Implemented	Not yet due	Outstanding & request made for extended time or no update received	Percentage implemented %
2018/19	30	29	0	1	97%
2020/21	28	26	1	1	93%
2021/22	37	20	7	10	54%

2.6 Since 28 July 2022 Audit Committee, extension to implementation dates have been requested by action owners for four recommendations as follows:

a) Two from the 2021/22 Procurement Cards audit, with a revised target date of 26 September 2022 to accomplish the last part of an action substantially completed.

b) Four from the 2021/22 Operational Buildings Compliance audit, with a revised target date of 30 September 2022 or 7 October 2022.

2.7 Since 28 July 2022 Audit Committee, no update has been received and / or request made for a revised target date in respect of the following seven recommendations:

a) One recommendation from the 2018/19 Benefits audit (previous revised target date 31 August 2022.

b) One recommendation from the 2020/21 Debtors audit (previous revised target date 31 December 2022).

c) One recommendation from the 2021/22 NDR audit (target date 31 March 2022).

d) One recommendation from the 2021/22 Council Tax audit (target date 31 August 2022.

e) Two recommendations from the 2021/22 Benefits audit (target date 31 July 2022).

2.8 Four new high priority recommendations have been made within the period since the last update report, these relating to the audit of Operational Buildings Compliance. Further details of these recommendations and their implementation status is provided within Appendix C of this update report. By way of summary, two of these high priority recommendations are deemed to have been implemented, one has a request for an extension to the implementation date (30 September 2022) and one has surpassed its target date, but no request has been made for an extended implementation date.

2.9 The four high priority recommendations relate to the following:

a) Generation of a remedial log which should include RAG-rated remedial actions raised from risk assessments with an assigned person and deadline to ensure they are monitored and completed within timescales. Evidence of timely completion of recommended actions should be retained alongside the remedial log.
b) Scheduling of electrical installation inspections for the five buildings with EICs outstanding and obtaining these as the CAM Team did not receive certification from the previous contractor.
c) Production of management reports which include progress against key performance indicators (KPI) on compliance rates and numbers of outstanding remedial actions to the Leadership Board.
d) Formally completing the building related outstanding actions from the most recent HCC health and safety audit within a suitable timescale.

2.10 Internal Audit have been advised that an action log and reporting mechanism is in place to ensure a robust and timely response to the Operational Building Compliance audit. The delivery of the action plan is being reported to the Council's Corporate Management Board every fortnight and is deemed a corporate priority.

Proposed Audit Plan Amendments

2.11 The original approved Shared Services 2022/23 Audit Plan included an allocation of 30 days for audits within the Finance Service. Following a meeting with the Head of Finance and agreement with the Director of Finance the following audits have been agreed for use of this time and are brought to the attention of the Committee:

- Fixed Asset Register – review of the completeness of the records on the finance system, including how valuations are determined (10 days).
- Financial Reconciliations – review of the robustness of key financial account reconciliations including ownership, frequency and sign-off (12 days).
- Treasury – review of compliance against the Prudential Code, including the Treasury Management Practices (8 days).

Performance Management

2.12 To help the Committee assess the current situation in terms of progress against the projects in the 2022/23 Audit Plan, we have provided an analysis of agreed

start dates at Appendix B. These dates have been agreed with management and resources allocated.

2.13 Annual performance indicators and associated targets were approved by the SIAS Board in March 2022. Actual performance for Watford Borough Council against the targets that can be monitored for 2022/23 is shown in the table below.

Performance Indicator	Annual Target	Profiled Target to 2 September 2022	Actual to 2 September 2022
1. Internal Audit Annual Plan Report – approved by March Audit Committee or the first meeting of the financial year should a March committee not meet	Yes	N/A	Yes
2. Annual Internal Audit Plan Delivery – the percentage of the Annual Internal Audit Plan delivered (excludes unused contingency days)	95%	32% (72 / 227.5 days)	27% (62.5 / 227.5 days)
3. Project Delivery – the number of projects delivered to draft report stage against projects in the approved Annual Internal Audit Plan	95%	21% (4 out of 19 projects to draft)	16% (3 out of 19 projects to draft)
4. Client Satisfaction* – percentage of client satisfaction questionnaires returned at 'satisfactory overall' level (minimum of 39/65 overall)	95%	100%	100% (based on two received)
5. Chief Audit Executive's Annual Assurance Opinion and Report – presented at the first Audit Committee meeting of the financial year	Yes	N/A	Yes

2022/23 SIAS Audit Plan

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS				AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		C	H	M	L				
Key Financial Systems									
Council Tax (shared services plan)						10	SIAS	2	Terms of Reference Issued
Financial Reconciliations (shared services plan)						12	BDO	0.5	In Planning
Fixed Asset Register (shared services plan)						10		0	
NDR (shared services plan)						10	SIAS	2	Terms of Reference Issued
Payroll (shared services plan)						12		0	
Sundry Debtors (shared services plan)						10	BDO	2	Terms of Reference Issued
Treasury (shared services plan)						8		0	
Operational Audits									
Climate Emergency Follow Up						3		0	In Planning
Asset Management System Data						10		0	
Museum						10	Yes	9.5	Draft Report Issued
FOI						8		0	
Trees						8		0	
Website Redesign						8	BDO	0.5	In Planning
Project Management						12		0	
Green Homes Grant	Unqualified	-	-	-	-	3	SIAS	3	Final Report Issued

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS				AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		C	H	M	L				
COMF Grant Certification	Unqualified	-	-	-	-	0.5	SIAS	0.5	Final Report Issued
Contract Management, Project Management & Procurement									
Contract Management						12	BDO	0.5	In Planning
Governance									
Corporate Governance						12	BDO	10	In Fieldwork
IT Audits									
Cyber Security (shared services plan)						15		0	
Shared Learning / Joint Reviews									
Shared Learning / Joint Reviews						4		2	Through Year
Follow Ups									
Follow up of Audit Recommendations						8		4	Through Year
To Be Allocated									
Unused Contingency (shared services plan)						4		0	To Be Allocated
Strategic Support									
2023/24 Audit Planning						6		0	Due quarter 4
Annual Governance Statement						3		3	Complete

APPENDIX A - PROGRESS AGAINST THE 2022/23 AUDIT PLAN AT 2 SEPTEMBER 2022

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS				AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		C	H	M	L				
Audit Committee						10		4	Through Year
Head of Internal Audit Opinion 2021/22						3		3	Complete
Monitoring & Client Meetings						7		3	Through Year
SIAS Development						3		3	Complete
Completion of 2021/22 audits									
Time required to complete work commenced in 2021/22 (7 days shared plan; 3 days WBC)						10	N/A	10	Complete
WBC TOTAL						**133.5**		**49**	
SHARED SERVICES TOTAL						**98**		**13.5**	
COMBINED TOTAL						**231.5**		**62.5**	

Key to recommendation priority levels: C = Critical; H = High; M = Medium; L = Low / Advisory.

APPENDIX B – AUDIT START DATES 2022/23

Apr	May	June	July	August	September
	Museum **Draft Report Issued**	Corporate Governance **In Fieldwork**	Website Redesign **In Planning**	Contract Management **In Planning**	Sundry Debtors (Shared services plan) **Terms of Reference Issued**
		Green Homes Grant **Final Report Issued**	COMF Grant Certification **Final Report Issued**		

October	November	December	January	February	March
Project Management	Asset Management System Data	FOI	Trees	Cyber Security (Shared services plan)	
Climate Emergency Follow Up	Payroll (Shared services plan)	Financial reconciliations (Shared services plan)	Treasury (Shared services plan)		
NDR (Shared services plan) **Terms of Reference Issued**	Council Tax (Shared services plan) **Terms of Reference Issued**	Fixed Asset Register (Shared services plan)			

Audit Plan 2018/19

Benefits 2018/19							
Final report issued April 2019							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
02	We recommend that testing of the module is carried out to reinstate the ability to delete obsolete data.	Medium	Position – 21 August 2019 The system is designed to destroy all documents that are older than 6 years plus current. We discovered that the system was not working properly and has destroyed some documents that are still required to support live Benefit claims and therefore we need to retain. Clearly, we could not allow that to continue so the system has been suspended. We have sought advice on how to fix this issue from the system provider and are awaiting their response. I have chased this today and have also now asked if it's possible to use the system in part so that we can carry on destroying old documents that we no longer require for Council Tax and Business Rates and unsuspend the Benefits part of the system once we have fixed the problem. I will escalate this issue in a week if I have not had a response. Position – September 2019 Issue has now been escalated with Northgate. Position – February 2020 The Northgate system is currently being upgraded. The upgrade is now available in test and the live upgrade is due to take place 1st and 2nd May 2020. We will test this module of the system as part of the overall testing. If this module works, we will be able to run scripts which will 'back archive' documents that would have been due to be archived since it was discovered the system was not working properly. Position – July 2020	Benefits Manager	31 May 2019	✗	~~31 October 2019~~ ~~30 June 2020~~ ~~30 Sept 2020~~ ~~31 March 2021~~ ~~30 Sept 2021~~ ~~30 November 2021~~ ~~31 January 2022~~ ~~15 March 2022~~ 31 August 2022

Benefits 2018/19							
Final report issued April 2019							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
			The required Northgate system upgrade was due to be live now but has been delayed as a result of COVID-19. Northgate have currently rescheduled the upgrade for 8-9 September 2020 and when this takes place, we will test the module and if this is working as expected, run the necessary scripts to archive the data that should have been deleted. Position – November 2020 The required system upgrade was planned for the end of October but did not go live due to system performance issues. This is now expected in March 2021. Discussions are however, taking place with Northgate to see if an interim measure is available so that obsolete data can be removed from the system. Position – February 2021 We are on schedule to upgrade the information@work system 19/20 March 2021. Once it's upgraded, we can re-test the retention and destruction module. Position – July 2021 The system upgrade planned for March 2021 did not go-ahead as we had limited time to carry out testing and were not in a position to be able to sign off the product. A new go-live date has been set for 7/8 September 2021 and testing has commenced. Position – September 2021 We currently are unable to upgrade due to not having a fully operational Test system. All parties are in communication and are trying to identify the issue so that we can progress with testing.				

Benefits 2018/19							
Final report issued April 2019							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
			Position – November 2021 The upgrade to our Document Processing System is now scheduled to take place on 20 & 21 January 2022. Revs and Bens have been working with our IT department and our supplier to overcome the problems we had with the test system. Testing is scheduled to start this month (November 2021). **Position – February 2022** The long-awaited upgrade took place on 04.02.22. We are now amending the scripts that will destroy the old documents. The scripts are being amended to do two things that they did not do before: 1. To look for claims that have an outstanding housing benefit overpayment but a non-live housing benefit claim, and 2. Live housing benefit claims. Where the script identifies claims under 1 & 2 no documents will be destroyed regardless of their age as they may be required for audit, for fraudulent investigations and for recovery of overpayments. **Position – July 2022** Consultancy is being arranged to assist with a complete re-write of the scripts to destroy unwanted documents. Whilst the writing and testing of a new script is in progress which will automate the whole process, we will manually start identifying old documents and destroy them. **Position – August 2022** **No update received – deadline has been reached and no revised target dare requested.**				

Audit Plan 2020/21

Cyber Security 2020/21							
Final report issued March 2021							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
01	Management should ensure that physical network ports are configured to the appropriate authentication control (802.1X). Furthermore, management should establish a network access control to block unknown or unauthorised devices from connecting to the Councils' IT network. This should include restricting the ability to physically connect to the Council's IT network.	Medium	We have an intrusion detection system in place, which would identify any devices connecting to the network. This is a project we will review and look to implement, assuming budget is available to do so. Position – July 2021 Resources are focussed on the Littlefish transition and implementation. This implementation is not yet due until March 2022. Position – September 2021 Resources are focussed on the Littlefish transition and implementation. This implementation is not yet due until March 2022. Position – November 2021 As above. Position – February 2022 Market assessed as to the product options and costs. Products assessed: CISCO and Forescout. Additional budget required in order to go ahead. IT steering group decision. Paper with options and risks for assessment and decision by that board in March 2022. Position – July 2022 ITSG board meeting delayed. This paper is scheduled for decision at the 19 July board. The recommendation from Head of ICT, given the additional budget required is to not proceed with the recommendation at this time and instead consider a solution in line with the refresh of the Councils corporate WIFI	Head of ICT	31 March 2022	✓ **No longer relevant**	31 July 2022

Cyber Security 2020/21							
Final report issued March 2021							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
			technology solution in 23/34. **Position – August 2022** **Recommendation no longer relevant** **following approval from ITSG on revised** **solution.**				

Communications 2020/21							
Final report issued May 2021							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
01	We recommend that the service updates all its policies to ensure that they reflect the current process followed. Going forward, the service should ensure that the policies are updated at regular intervals, and proper version control introduced.	Low	These policies were due to be updated in 2020 but due to the impact of Covid-19 this has been delayed. Position – July 2021 No update received. Position – September 2021 The service has had a very busy summer leading on the communications and engagement for a range of priority council initiatives and projects (e.g. mass vaccination clinics, Sustainable Transport Strategy). An additional resource provided by a Kickstart appointment will be supporting this work. Position – November 2021 Overall guidance on publicity and communications has been updated. The team is still working through additional policies. Position – February 2022 Main policies updated. Position – July 2022 Review of all policies underway for 2022/23.	Communications and Engagement Lead	31 October 2021	✗	28 February 2022 31 March 2023

APPENDIX C – AUDIT RECOMMENDATIONS FOLLOW UPS – AUGUST 2022

Communications 2020/21							
Final report issued May 2021							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
			Position – August 2022 **Main policies updated – additional ones under review.**				

Debtors 2020/21							
Final report issued June 2021							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
03	Consideration should be given to an annual review of debtor accounts to identify duplicate or dormant for deletion or deactivation.	Low	Position – July 2021 We will speak to Finance about the best way of doing this. Position – September 2021 A complete review of the entire Sundry Debtor service has recently been commenced and this will be included as part of the review. Position – November 2021 No update received. Position – February 2022 No update received. Position – July 2022 To date we have not been able to resource this review as we have had to prioritise Grant work and more recently the Council Tax Energy Rebates. We will pick up this project towards the end of the calendar year once the Energy rebate work is completed. **Position – August 2022** **No update received – target date not yet reached.**	Recovery Team Leader, Revenues Manager and Finance.	31 August 2021	✗	31 October 2021 31 December 2022

Audit Plan 2021/22

NDR 2021/22							
Final report issued March 2022							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
01	We recommend that: • A review of existing NDR cases pending write-off is conducted and decisions taken regarding whether or not cases should proceed to write-off. Write-offs are conducted at regular intervals going forward (e.g. quarterly).	Medium	In 2022/23 write-offs will be done on a monthly basis. Position – July 2022 No update received. **Position – August 2022** **No update received – target date has been reached.**	Revenues Manager	31 March 2022	✗	

Safeguarding 2021/22							
Final report issued April 2022							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
01	When temporary staff members are being appointed, the Council should ensure that necessary safeguarding checks have been completed prior to the employee starting work, and that appropriate records are maintained. If there is an expected delay to such checks being performed, a decision should be recorded to delay the start date until completed	High	HR Management will remind Comensura of the pre-employment checks required by Watford prior to someone starting. HR will carry out spot checks of temporary staff and ask Comensura [or any other provider] to provide evidence of the checks undertaken at least annually. HR will ensure the specification for a future agency partner includes all requirements for pre-employment checks to be undertaken and the checking process to be in place to ensure compliance. Recruiting Managers across the council will be reminded of the need to ensure all compliance	Head of HR (Operations)	1 June 2022 1 April 2023 When required. 1 June 2022	✓ ✗ ✓ ✓	

Safeguarding 2021/22
Final report issued April 2022

Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
			documentation is received prior to commencement of staff in post and the different requirements if agency staff come through Comensura or direct through agency to the council. Position – July 2022 Comensura have been reminded of the pre-employment checks required. Their booking system has the requirement for a DBS check as a pre-requisite. The tender specification for the current tender process for future agency partner has included the requirement for DBS checks to be carried out. HRBPs have reminded managers of the compliance documentation required and this will be raised as new bookings are made. **Position – August 2022** **All recommendations are complete except the one action in progress (spot checks)** **This has a due date of 1 April 2023.**				

Main Accounting 2021/22
Final report issued April 2022

Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
03	We recommend that procedure notes are produced for feeder system reconciliations to enable them to be carried out correctly and checked in a timely manner. We also recommend that Benefits system reconciliations are signed and dated by another person in Finance.	Low	Procedure documents will be reviewed and updated/created as required. Timeliness of reconciliation will be monitored and managed as part of the tracking processes referenced in the response recommendation 2, above. Position – July 2022	Finance Section Head / Finance Systems Manager	31 October 2022	✗	

Main Accounting 2021/22							
Final report issued April 2022							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
			On target. **Position – August 2022** **In progress and on target - target date is 31 October 2022.**				

Procurement Cards 2021/22							
Final report issued April 2022							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
01	All transaction logs should be signed off by the card holder and a member of management to ensure that transactions are accurate and that there is a reviewer who can confirm that the transactions are appropriate and in line with Council needs. Receipts for all transactions should be retained to ensure VAT is being accounted for appropriately and there is evidence for the purchases made. VAT should be appropriately accounted for on transaction logs as this can affect the amount of recoverable VAT the Council can claim back, therefore creating unnecessary losses.	Medium	Existing guidance covers the requirement to retain receipts, and to document net/vat split on their transaction logs. Guidance will be re-circulated with a reminder of the importance of observing these requirements. In mitigation we can suspend the use of cards where holders do not comply with the requirements. Transaction logs and receipts are reviewed by Finance Officers do not post VAT element if a receipt is not provided. Position - July 2022 New guidance has been written and will be sent out by the end of July. **Position – August 2022** **Procedure adjusted to reflect all recommendations.** **TRDC email sent 30/08/22** **WBC email written and to be sent 26/09/22**	Finance Manager – Systems Shared Services	20 May 2022	✗ - resolved when WBC e-mail sent.	~~1 August 2022~~ 26 September 2022

Procurement Cards 2021/22
Final report issued April 2022

Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
02	Controls should be implemented to mitigate the risk of potential fraud and overspend on budget from multiple people using the same procurement card. This could be in the form of acquiring a finance system to support the use of procurement cards, by providing other card users with their own card or through creating a system with the banks to provide single use e-cards for one-off transactions.	Medium	A reminder of existing rules against the sharing of cards will be circulated. Position – July 2022 New guidance has been written and will be sent out by the end of July. **Position – August 2022** **Procedure adjusted to reflect all recommendations.** **TRDC email sent 30/08/22** **WBC email written and to be sent 26/09/22** A review of card holders will be undertaken to ensure cards are held at the appropriate level. This will follow the evaluation of potential system solutions for the management of purchasing cards. If a system solution is pursued, it may result in the ability to use an e-card and/or single-use card technologies which will further mitigate the risk of cards being shared. Position – July 2022 We will be sending communications which will cover sharing of cards and the correct people to have cards by the original target date. **Position – August 2022** **Procedure adjusted to reflect all recommendations** **TRDC email sent 30/08/22** **WBC email written and to be sent 26/09/22**	Finance Manager – Systems Shared Services	20 May 2022 31 October 2022	✗ - resolved when WBC e-mail sent.	~~1 August 2022~~ 26 September 2022

Cyber Security 2021/22							
Final report issued April 2022							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
01	1.1 Management should ensure that appropriate monitoring controls are in place for the password monitoring and management activities. These should include but not be limited to the following: • brute-forcing of account passwords including password spraying, • login attempts from unexpected geographic areas, • unexpected account lockouts • password database for the deny list hashes, • other unusual behaviour from users. 1.2 The above proposed controls, once in place, should be actively reported upon, through the periodic cyber security reports, to the senior management.	Medium	01 Mar 2022 the Azure AD Password Protection was implemented. Users will not be able to **change** passwords to weak passwords nor known passwords nor passwords from our Ban List of passwords. 1.1 – requires a third-party tool and associated funding would be required. The implementation of the password protection for Azure AD lowers the risk. 1.2 - this would be dependent on the ability to fund with a third-party tool – 1.1. Position – July 2022 Third party tools currently being reviewed and costed. Item not yet due. **Position – August 2022** **1.1 - Third party tools have been evaluated and Netwrix has been selected as the preferred tool.** **1.2 – Netwrix had demonstrated the tool in detail and a 30-day trial to test the system further is available.** **1.3 – Quotation for 1- and 3-year option has been provided.** **• 1-year option - £7,806** **• 3-year option - £16,483** **1.4 – Implementation of the tool will be dependent on the ability to fund the third-party tool, this will require an approval by ITSG for an additional spend. A paper to review this recommendation and request any growth in budget 2022.**	Head of ICT	31 March 2023	✗	

Cyber Security 2021/22
Final report issued April 2022

Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
03	Management should conduct regular monthly vulnerability scans across the entire IT estate including endpoint, to identify and mitigate vulnerabilities including software flaws, missing patches, misconfigurations and malwares.	Low	This would require additional budget and would need a growth item approved, as there are licence implications for the Qualys scanner. Position – July 2022 Extension of current third-party tools currently being reviewed and costed. Item not yet due. **Position – August 2022** **1.1- Third party Qualys had introduced a new module which will enable the management of remote devices through the cloud.** **1.2 – Both options are currently being evaluated and costed. Decision made will be based on cost, functionality, and management.**	Head of ICT	31 March 2023	✗	

Contract Waivers 2021/22
Final report issued June 2022

Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
01	We recommend Procurement and Legal advice is sought (and recorded on the corporate form) before waivers are raised and sent to management for approval.	Medium	This will need discussion with Leadership Board (WBC) / Corporate Management Team (TRDC) and if agreed amendment to the existing firmstep forms. Position – July 2022 Not yet due. **Position – August 2022** **Not yet due**	End of September discussion with Leadership Board / Corporate Management Team	30 September 2022	✗	

Contract Waivers 2021/22
Final report issued June 2022

Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
02	A tracker should be established to record the waiver process and waivers should remain "open" until all relevant evidence is received from services to demonstrate compliance with the Contract Procedure Rules. An annual waivers report should be produced for senior management and members at both authorities to ensure there is accurate and transparent reporting of waiver activity.	Low	The shared service procurement manager should now receive copies of all exemptions. Agree to prepare an annual waivers report for both authorities. Position – July 2022 Not yet due. **Position – August 2022** **Not yet due.**	Procurement Manager	31 March 2023	✗	

Creditors 2021/22
Final report issued July 2022

Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
01	We recommend the Council completes a review of all supplier's setup on the eFinancials system to identify if any other employees have been setup as a supplier. Any supplier accounts which are found to be employees should be removed from the eFinancials system and the Council must prohibit the use of payment vouchers to make payments to employees.	Medium	Agreed that a review of supplier accounts will take place. Any staff will be removed. Staff identified will be contacted to advise them of correct procurement routes and processes for claiming expenses. Position - July 2022 Not yet due. **Position – August 2022** **Reviewed the suppliers and identified staff set up as suppliers and all staff removed 30/08/22. Communications to be sent to advice on correct way to make office spend.**	Finance Manager (Systems)	31 July 2022	✓	
02	We recommend: 1. The Council creates a policy/procedure covering the use of CHAPS and Faster Payments. This	Medium	A process note for CHAPS and Faster Payments will be written along with a scheme of delegation, agreed by S151 Officer and published on the intranet.	Finance Manager (Systems)	26 August 2022	✗ - part 1 and 2 resolved. Revised deadline	31 October 2022

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	will include: • The criteria which must be met to use CHAPS and Faster payments, • The process for requesting and approving these payments, • Which officers can request and approve these payments and how delegated limits will be set. 2. The Council updates the Payment Voucher request procedure to outline the types of payments which are eligible and ineligible to be made using this method. 3. The policy and procedures for CHAPS, Faster Payments and Payment Vouchers are communicated/re-communicated to all relevant staff across the Council (e.g., in a corporate communication) and placed on key staff systems such as the Intranet for reference		Agreed and will be published as per the above. Agreed they will be published on the intranets and a communication to all staff. Position - July 2022 Not yet due. **Position – August 2022** **1 is resolved ✓ process note created.** **2 is resolved ✓ process updated.** **3 We will publish revised note and new note on the intranet along with Delegated authority listings.** **New deadline: 31 October 2022**			for part 3.	
03	We recommend a reminder notification (e.g., email) is issued to all officers involved in approving new suppliers. This is to re-iterate that complete backing evidence must be obtained through the paperclip attachment and cross checked	Low	Agreed we will remind the evidence required to raise a supplier and what the correct checks are. Position - July 2022 Not yet due.	Finance Manager (Systems)	31 July 2022	✓	

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	against the details in the new supplier request form, prior to approving the supplier. Should any details entered in the new supplier request form not be supported by backing evidence, the request must be rejected, and the approving officer should contact the requestor to ask for full documentation to be provided in a new request.		**Position – August 2022** **Reminder sent to all staff involved.**				

Benefits 2021/22

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Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
01	We recommend that: • A review of existing housing benefit overpayment cases pending write-off is conducted and decisions taken regarding whether or not cases should proceed to write-off. • Write-offs should be conducted at regular intervals going forward (e.g. quarterly).	Medium	Agreed. Position - July 2022 Not yet due. **Position – August 2022** **No update received – deadline has been reached.**	Recovery Team Leader	31 July 2022	✗	
02	We recommend that the number of officers with administrator privileges on the Academy system should be restricted to a minimum number of individuals to preserve the integrity and security of the system.	Low	Agreed. Position - July 2022 Not yet due. **Position – August 2022** **No update received – deadline has been reached.**	Data & Performance Manager	31 July 2022	✗	

Council Tax 2021/22
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Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
01	We recommend that: • A review of existing Council Tax cases pending write-off is conducted and decisions taken regarding whether or not cases should proceed to write-off. • Write-offs are conducted at regular intervals going forward (e.g. monthly).	Medium	Agreed. Position - July 2022 Not yet due. **Position – August 2022** **No update received – deadline has been reached.**	Revenues Team Leader	31 August 2022 for the review of write-off's pending. Ongoing write off's to be processed monthly starting from July 2022.	✗	

Operational Buildings Compliance 2021/22
Final report issued July 2022

Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
01	The CAM Team should complete all outstanding remedial actions which have been recommended by contractors with immediate effect and retain evidence of their completion. Evidence of timely completion of recommended actions should be retained alongside the remedial log. The CAM Team should develop a remedial log which lists the recommended remedial actions from risk assessments undertaken. The remedial log should include the action, responsible officer, deadline, and completion date for monitoring purposes. These actions should be RAG rated to ensure that immediate remedial	High	Completed - remedial log has been created that is RAG rated with responsible officer, deadline, and completion date. **Position – August 2022** **Completed - Remedial logs for each building now being utilised.**	Compliance & Maintenance Officer	Already Completed	✓	

	Operational Buildings Compliance 2021/22						
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Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
	actions are prioritised for completion. The log should be monitored and updated by the Compliance & Maintenance Officer monthly to provide clarity on the actions completed.						
02	Electrical installation inspections should be conducted for the five properties identified with outstanding EICs. Once conducted, these inspections should be reviewed within five years to comply with the Electrical Safety Standards in the Private Rented Sector (England) Regulations 2020. All certificates and reports in relation to risk assessments should be uploaded on the Council's local drive to ensure that all documents are retained.	High	EICs on remaining buildings to be commissioned. **Position – August 2022** **All buildings have condition reports. At the time of the audit, FM did not have the electronic record from previous outsourced contractor who undertook this work. Also, 2 buildings now taken out of service. This action has been completed.**	Facilities Manager	31 July 2022	✓	
03	The Compliance & Maintenance Officer should generate monthly reports for the Facilities Manager and the Leadership Board to review on the compliance rates in relation to the following health and safety areas: • Gas Safety • Electrical Safety • Fire Safety • Legionella Safety • Lift Safety The reports should outline the risk assessments undertaken, progress, outcomes, remedial actions completed, due and those delayed for	High	FM to provide programme on a monthly basis to Leadership Board. This will include information on risk assessments and progress with remedial actions. **Position – August 2022** **Compliance report to be provided to senior management on a monthly basis. New asset management system (concerto) will be able to generate regular management reports. FM produce a spreadsheet on current status of compliance that can be provided in the meantime.**	Head of Corporate Asset Management / Facilities Manager	31 July 2022	✗	30 September 2022

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Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✖ or ✓	Revised Deadline
	greater oversight. The remedial actions should have an assigned action owner and due date for completion.						
04	The Facilities Manager should assign a responsible officer as well as a suitable/achievable deadline for all outstanding recommended actions. The deadlines set should align with the HCC guidance, which is immediate, 1 week, 2 weeks, 1 month and three months for high and medium actions.	High	Monthly review and sign off by senior management on actions and recommendations to be reviewed and signed off by H & S. **Position – August 2022** **All actions now completed but requires sign off by H&S Adviser (meeting on 30/8/22). Target date not yet reached.**	Facilities Manager	15 September 2022	✖	7 October 2022
05	All sections of the compliance schedule should be completed to achieve effective monitoring of risk assessments and to ensure that all assessments are completed when they are due. The Council should implement a process to identify which compliance checks they are responsible for completing for all their operational buildings. This will provide a clear direction on who is responsible for completing the assessments / inspections.	Medium	We accept this finding and have already updated the programme which now clearly indicates the status of risk assessments. The programme will also include exception information on any overdue risk assessment. This will be provided in a summary as required. The schedule will set out who is responsible for completing the inspections. The programme is continually monitored and updated as required. **Position – August 2022** **All spaces now clearly state status of inspection/ assessment. This programme to be replaced by new Asset Management system that will generate automatic reports.**	Compliance & Maintenance Officer	31 July 2022	✓	
06	The Facilities Manager should merge all policies in relation to health and safety in buildings to create an overarching Monitoring Compliance section in the Council Buildings Policy. The Policy should provide	Medium	To be updated for ratification at the next H & S Committee meeting. **Position – August 2022** **To update procedures for ratification at next H&S Committee (date to be confirmed**	Facilities Manager	31 July 2022	✖	7 October 2022

Operational Buildings Compliance 2021/22							
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Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✖ or ✓	Revised Deadline
	detailed guidance on fire safety, electrical safety, water safety, legionella and general health and safety (including Gas, Asbestos and Lift safety). The policy should outline responsibilities and the frequency of the risk assessments (for gas safety, legionella, fire safety and lift safety) to ensure that the Inspectors are aware of the expected frequency of the inspections. In addition, the author, approval, and the proposed review date should be clearly outlined within the policy to ensure that it is updated regularly to align with government guidance.		**by Head of HR). Target date reached.**				
07	An automated process should be implemented for the compliance checks completed by the tenants. This will ensure that all checks are recorded, reported, and escalated where necessary and decrease the risk of manual error. The CAM Team should arrange training sessions with Site Managers to provide guidance on how compliance checks should be completed and recorded.	Medium	A document for building managers / tenants has been produced and a programme of visits explaining responsibilities of building managers/tenants relating to compliance is already underway. We will also share logs of all compliance checks with building managers/tenants. **Position – August 2022** **FM have produced a document on responsibility of senior manager for buildings and started to roll out programme e.g. Museum already addressed.**	Compliance & Maintenance Officer	31 July 2022	✖	30 September 2022

APPENDIX D – ASSURANCE AND PRIORITY LEVELS

Audit Opinions	
Assurance Level	**Definition**
Assurance Reviews	
Substantial	A sound system of governance, risk management and control exist, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.
Not Assessed	This opinion is used in relation to consultancy or embedded assurance activities, where the nature of the work is to provide support and advice to management and is not of a sufficient depth to provide an opinion on the adequacy of governance or internal control arrangements. Recommendations will however be made where required to support system or process improvements.
Grant / Funding Certification Reviews	
Unqualified	No material matters have been identified in relation the eligibility, accounting and expenditure associated with the funding received that would cause SIAS to believe that the related funding conditions have not been met.
Qualified	Except for the matters identified within the audit report, the eligibility, accounting and expenditure associated with the funding received meets the requirements of the funding conditions.
Disclaimer Opinion	Based on the limitations indicated within the report, SIAS are unable to provide an opinion in relation to the Council's compliance with the eligibility, accounting and expenditure requirements contained within the funding conditions.
Adverse Opinion	Based on the significance of the matters included within the report, the Council have not complied with the funding conditions associated with the funding received.
Recommendation Priority Levels	
Priority Level	**Definition**
Corporate	**Critical**	Audit findings which, in the present state, represent a serious risk to the organisation as a whole, i.e. reputation, financial resources and / or compliance with regulations. Management action to implement the appropriate controls is required immediately.
Service	**High**	Audit findings indicate a serious weakness or breakdown in control environment, which, if untreated by management intervention, is highly likely to put achievement of core service objectives at risk. Remedial action is required urgently.
	Medium	Audit findings which, if not treated by appropriate management action, are likely to put achievement of some of the core service objectives at risk. Remedial action is required in a timely manner.
	Low	Audit findings indicate opportunities to implement good or best practice, which, if adopted, will enhance the control environment. The appropriate solution should be implemented as soon as is practically possible.