

# Oadby & Wigston Borough Council

## Internal Audit Progress Report

September 2019



Bringing public value to life

**cw audit**  
internal audit services

## 1. Introduction

This report summarises the work of Internal Audit for the period to the end of July 2019. The purpose of the report is to update the Audit Committee on progress made in delivering the 2019/20 audit plan and to update in relation to management's implementation of internal audit recommendations.

## 2. Progress summary

This is the first progress report for 2019/20. We are satisfied that delivery to date is in accordance with the delivery profile agreed with management.

## 3. Reviews completed and work in progress

For the reporting period two advisory reviews have been completed and the results shared and discussed with management. -one relating to the identification of potential duplicate payment of creditor invoices and, a targeted follow up exercise confirming the implementation of recommendations so recorded by officers on the TeamCentral system. The 2019/20 annual plan at Section 5 sets out other work in progress and planned timings of reviews where known.

Review	Level of assurance
<b>Anti Fraud &amp; Corruption - Completed</b>	<b>N/A - Advisory</b>
<b>Recommendation Tracking – Targeted Follow Up Exercise</b>	<b>N/A - Advisory</b>

## 4. Recommendation tracking

We provide a system for tracking the actioning of agreed Internal Audit recommendations as a management assurance tool for the Council and specifically this Committee. Managers are responsible for updating actions taken and other key information directly on the system. The first table below represents the status of agreed actions due to be implemented by 31/7/19, the second table outlines the age of the outstanding recommendations (based on the original date due for implementation). The status shown in general is as advised by the relevant manager/Head of Service and does not imply that Internal Audit has verified the status in all cases. However in this case Internal Audit has assessed a targeted selection of actions previously recorded as 'implemented' by managers, to provide independent assurance over the validity of this status. We identified five cases in which actions were not in fact implemented, and the data shown below reflects the corrected status of these actions.

<b>Summary</b>	<b>1 Critical</b>	<b>2 High</b>	<b>3 Medium</b>	<b>4 Low</b>	<b>Total</b>
Due by 31/7/19	-	98	384	105	<b>587</b>
Implemented	-	89	341	99	<b>529</b>
Closed (e.g. superseded or system changed)	-	4	24	3	<b>31</b>
Still to be completed	-	5	19	3	<b>27</b>

<b>Time overdue for actions o/s or not complete</b>	<b>1 Critical</b>	<b>2 High</b>	<b>3 Medium</b>	<b>4 Low</b>	<b>Total</b>
Less than 3 months	-	0	6	1	<b>7</b>
3 – 6 months	-	4	5	1	<b>10</b>
Greater than 6 months	-	1	8	1	<b>10</b>

Time overdue for actions o/s or not complete	1 Critical	2 High	3 Medium	4 Low	Total
<b>Total</b>	-	5	19	3	27

As previously requested we provide below details of all outstanding 'high risk' issues, and 'medium risk' issues outstanding for more than 6 months.

**'High Risk' outstanding issues (5)**

Review	Recommendation	Risk Rating	Current status per Management (or from our follow up work where stated)
17/18 Taxi and Hackney Carriage Licensing	An urgent review of all licensed vehicles needs to be undertaken to ensure that all vehicles have been inspected within the last six months. Any vehicles found to be in breach of licence conditions should immediately have their licence suspended pending inspection or other action by the Authority. A system should be put in place that highlights any vehicles approaching six month inspection dates to ensure that no vehicles are left operating beyond the six month period without passing an inspection.	2	<p>This action was previously recorded as implemented. Our recent targeted follow up exercise found that this is work in progress.</p> <p>Currently the onus is on the owners to ensure vehicle inspections and visual inspections are up to date as per the terms and conditions of vehicle licences issued. The owners contact the Customer Services Centre who enter appointment details (3 days a week) into the LALPAC Diary System to which Licensing Team members have access for visual inspections at the Council. Arrangements are then made for the formal inspections at the nominated inspection site.</p> <p>Changes to be introduced are as follows:</p> <ul style="list-style-type: none"> <li>Termination of visual inspections by OWBC staff except where the vehicle has been involved in an accident to determine whether it should be taken off the road.</li> </ul>

Review	Recommendation	Risk Rating	Current status per Management (or from our follow up work where stated)
			<ul style="list-style-type: none"> <li>• Using the Blaby DC model the visual inspections will be linked to the MoT to be carried at two nominated testing stations - Arriva and Leicester City. Staff are preparing the OWBC forms and criteria which these testing stations will have to use</li> <li>• Currently a list of all vehicles whose inspections are out of date is being prepared. This list will be shared with the inspection stations. Letters will also be sent to vehicle owners reminding them of the need to get their vehicles inspected. The OWBC LALPAC system will be updated accordingly.</li> <li>• The planned introduction of the UNIFORM system to replace the LALPAC system by the 2019 year end will then have all details related to the functioning of taxi licensing including inspections.</li> </ul> <p>Management has updated that "Visual Inspections now form part of the MOT process and are conducted by the Council's authorized MOT stations".</p>
18/19 Disaster Recovery	Recommendations arising from a June 2018 DR test should be documented on a formal action plan and closed down as quickly as possible.	2	<p>Due to be implemented by 15/2/19 – Mike Dungey.</p> <p>Management has provided updates regarding a range of actions completed or being addressed and has stated that this work will be complete by 30/9/19.</p>
18/19 Housing Repairs, Maintenance and Voids Management	Quotations should be obtained in line with Contract Procedures and held on file in one location accessible to all relevant staff.	2	Due to be implemented by 31/3/19. In progress-rescheduled to 30/6/19 – now assigned to Adrian Thorpe
18/19 Housing Repairs,	The Council should ensure market	2	Due to be implemented by 31/3/19. In progress-

Review	Recommendation	Risk Rating	Current status per Management (or from our follow up work where stated)
Maintenance and Voids Management	testing is undertaken for works where spend levels on individual contractors undertaking these works requires this as per the Contract Procedures.		rescheduled to 30/9/19 – now assigned to Adrian Thorpe
18/19 Housing Repairs, Maintenance and Voids Management	The Council should ensure relevant staff are aware of the policy regarding inspections of contractors' work and ensure that documented inspections are carried out.	2	Due to be implemented by 1/4/19. No update yet provided. Now assigned to new Housing Manager.

### **Medium (level 3) risks outstanding for over 6 months (8)**

Review	Recommendation	Risk Rating	Current status per Management
17/18 Taxi and Hackney Carriage Licensing	Licensing Officers should be adequately trained in the use and reporting abilities of the licensing system.	3	This action was previously recorded as implemented. Our recent targeted follow up exercise found that it is not implemented. A representative from LALPAC met with a temporary consultant then working in the Licensing Team in August 2018 but no formal training was provided. The introduction of a new system (Uniform) to replace LALPAC is underway and due to be completed by 1/11/19.
17/18 Fuel & Valuable Asset Control	Management should ensure that differences in diesel readings above set tolerance levels are investigated and resolved as part of the monthly fuel reconciliation and that evidence exists to support such action.	3	This action was previously recorded as implemented. Our recent targeted follow up exercise found that this is work in progress. The Council is currently looking into procuring a new gauge which will hopefully give a more accurate and consistent

Review	Recommendation	Risk Rating	Current status per Management
			read.
18/19 Cyber Security	All outstanding vulnerabilities should be monitored by the SWG and closed down as soon as possible.	3	Due to be implemented by 29/11/2018. Mike Dungey, Head of ICT, Leics ICT Partnership. In progress.
18/19 Cyber Security	The default administrator account should be renamed and the password to the account changed and kept in a secure location. The account should not be used to run any services.	3	Due to be implemented by 18/11/2018. Mike Dungey, Head of ICT, Leics ICT Partnership.  In progress.
18/19 Cyber Security	A daily scan should be scheduled on all full Windows 10 clients.	3	Due to be implemented by 30/10/2018. Mike Dungey, Head of ICT, Leics ICT Partnership.  In progress.
18/19 Cyber Security	The details held about computers in Active Directory should be updated.	3	Due to be implemented by 29/11/2018. Mike Dungey, Head of ICT, Leics ICT Partnership. In progress.
18/19 Disaster Recovery	The number of PCs, printers and telephones required by each service area should be included within each business continuity plan (BCP).	3	Due to be implemented by 31/1/19. Jacky Griffith, Head of Customer Services and Transformation  Management has advised that all BCPs will be updated by 31/8/19
18/19 Disaster Recovery	Assurances should be sought from ICT on recovery capability and timescales should a major incident have an impact on all partners.	3	Due to be implemented by 31/1/19. Mike Dungey, Head of ICT, Leics ICT Partnership. The backup review recommendations are scheduled to be completed by 30/8/19. The recovery time objectives within the DRBC plan are scheduled for completion by 23/9/19.

## 5. 2019/20 Internal audit plan

Review	Scheduled Start*	Status	Level of assurance
Performance Management	TBA		
Risk Management	TBA		
Capital Programme	TBA		
Procurement	TBA		
Anti-Fraud and Corruption	Quarter 1/2	Completed	<b>Advisory</b>
Budgetary Control/MTFS	Quarter 3	Scoping	
Financial systems (ledger, creditors, debtors, treasury management, income management & cash receipting-key controls	Quarter 3	Scoping	
IT Application Security	Quarter 2	Scoping	
Software Asset Management	Quarter 2	Scoping	
Website Content Management	Quarter 2	Scoping	
Payroll & Expenses	TBA		



<b>Review</b>	<b>Scheduled Start*</b>	<b>Status</b>	<b>Level of assurance</b>
HR – Agency Staff	TBA		
Council Tax	Quarter 3	Scoping	
Business Rates	Quarter 3	Scoping	
Benefits/Council Tax Support	Quarter 3	Scoping	
Housing Rents	Quarter 4		
Housing Strategy	Quarter 4		
Housing Repairs, Maintenance & Voids	Quarter 4		
Safeguarding	Quarter 1/2	In progress	
Follow-up	TBA		
Recommendation Tracking – Targeted Follow Up Exercise	Quarter 1/2	Completed	<b>Advisory</b>

\*Timings either agreed with management where relevant or proposed by us.

TBA = To be agreed