

Oadby & Wigston Borough Council

Internal Audit Progress Report

December 2019



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1. Introduction

This report summarises the work of Internal Audit for the period to the end of October 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 second 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

No reviews have been completed since the last meeting of the Committee, although a number are in progress or at draft report stage. The 2019/20 annual plan at Section 5 sets out the work in progress and planned timings of reviews where known.

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 31/10/19, 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 and, where relevant, further follow up work to confirm their status.

Summary	1 Critical	2 High	3 Medium	4 Low	Total
Due by 31/10/19	-	103	386	107	596
Implemented	-	92	350	103	545
Closed (e.g. superseded or system changed)	-	4	24	3	31
Still to be completed	-	7	12	1	20

Time overdue for actions o/s or not complete	1 Critical	2 High	3 Medium	4 Low	Total
Less than 3 months	-	4	1	1	6
3 – 6 months	-	0	5	0	5
Greater than 6 months	-	3	6	0	9
Total	-	7	12	1	20

As previously requested we provide below details of all outstanding 'high risk' issues, and 'medium risk' issues outstanding for more than 6 months. Where such cases reported at the last meeting are not shown here, management has recorded the actions as implemented in the intervening period. The Committee will be advised in future progress reports if our follow up work finds that any such cases are not in fact fully implemented. Actions shown in bold are those reported at the previous meeting and not yet found to be complete, updated as necessary for our further follow up work.

'High Risk' outstanding issues (3)

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	This action was previously recorded as implemented. Our recent targeted follow up exercise found that this is work in progress. Visual inspections and MOT are done together (from 1 July 19) at Arriva and Leicester City test centres, however our recent follow up work has identified that there is no clear system to readily identify which taxis for which an inspection has not been carried out when due. It is hoped that the new Uniform software will help the Council to address this problem.
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	Due to be implemented by 15/2/19 – Mike Dungey. Management has provided updates regarding a range of actions completed or being addressed and has stated that this work will be complete by 30/11/19.
18/19 Housing Repairs, Maintenance and Voids Management	The Council should ensure market testing is undertaken for works where spend levels on individual contractors undertaking these works requires this as per the Contract Procedures.	2	Due to be implemented by 31/3/19. In progress- update in October from Adrian Thorpe: This is ongoing with revised target to complete by 31 March 2020. All new capital works and new programmes of works have been market tested and appropriately procured since 1 January 2019. The major procurement exercises to

Review	Recommendation	Risk Rating	Current status per Management (or from our follow up work where stated)
			<p>conclude during the second half of the current financial year, for which arrangements have not previously been fully compliant with Contract Procedures are:</p> <ul style="list-style-type: none"> - responsive repairs; - voids maintenance; - compliance (fire risk and remedial works, electrical testing and remedial works, asbestos surveys and remedial works).

Medium (level 3) risks outstanding for over 6 months (6)

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	Our further follow up review has found that the new system (uniform) is due to be implemented (with relevant training having been provided) at the end of November.
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. Now stated to be due for completion by 30/11/19.
18/19 Homelessness	There are no operational procedures in place. Given the complexities of the requirements of the Homelessness Reduction Act, overarching procedures would enable staff to be clear how the requirements of the Act were to be	3	Originally agreed for action 31/3/19. Most recent management update: Procedures to be reviewed to include Homelessness Reduction Act (HRA). Whilst it is acknowledged that a reviews is necessary it is also noted that the process for homeless applications is set out in legislation and

Review	Recommendation	Risk Rating	Current status per Management
	applied at the Council.		accompanying code of guidance which is readily available to the team. The Housing Options team and relevant officers around the council will be receiving training on the HRA on 18.11.19 delivered by an external trainer (Shelter).
18/19 Homelessness	Approximately 11-12 houses at a time from within the HRA, on a revolving basis, are used to house homeless individuals. During the period of such use, the properties have remained within the HRA despite this not being an HRA activity. In addition, repairs costs, which given the short term and often challenging nature of tenants is likely to be higher than for normal HRA use, are also being met by the HRA. Officers have been unable to determine the income and expenditure charged to the HRA from this activity and it is not known what the impact will be on the Homelessness budget position when the income and expenditure is charged there. Income and expenditure charged to the HRA from this use should be identified and removed from the HRA to the General Fund.	3	Originally agreed for action 30/4/19. Most recent management update: Temporary Accommodation Strategy agreed by Committee September which clearly sets out the intention to end the use of HRA stock for temporary accommodation. Since this time no new properties have been taken from HRA stock and Housing Manager is closely monitoring current use and looking at sourcing alternative accommodation, which includes use of private rented accommodation.
18/19 Homelessness	The Homelessness Strategy needs to be updated for the introduction of the Homelessness Reduction Act.	3	Originally due for action 31/3/19, Most recent management update: Draft Homelessness and Rough Sleeping Strategy to be presented to committee in November 2019. Once approved

Review	Recommendation	Risk Rating	Current status per Management
			will go out to consultation with the aim of the strategy being implemented for January 2020. HAST of MHCLG are aware of our plans and have advised these are satisfactory.
18/19 Housing Repairs/Maintenance & Voids Management	The Council should collect and report on the feedback by tenants on jobs and contractors periodically. Reporting should include the levels of complaints received.	3	Originally due for action 14/3/19, Most recent management update: The process of satisfaction surveys are being reviewed to be implemented in 2020 for general repairs. Work is currently undergoing to review survey process for capital programme and contractors, which will lead in to responsive repairs.

5. 2019/20 Internal audit plan

Review	Scheduled Start/Finish*	Status	Level of assurance
Performance Management	Quarter 4 - Jan/March 2020		
Risk Management	Quarter 4 - Jan/March 2020		
Capital Programme	Quarter 4 - Jan/March 2020		
Procurement	Quarter 4 - Jan/March 2020		
Anti-Fraud and Corruption	Quarter 1/2	Completed	Advisory
Budgetary Control/MTFS	Quarter 3 –Oct/Dec 2019	In progress	
Financial systems (ledger, creditors, debtors, treasury management, income management & cash receipting-key controls	Quarter 3 –Oct/Dec 2019	In progress	
IT Application Security	Quarter 2	Draft report issued	
Software Asset Management	Quarter 2	Draft report issued	
Website Content Management	Quarter 2	Deferred to Jan 2020 at management request	
Payroll & Expenses	Quarter 3 –Oct/Dec 2019	In progress	

Review	Scheduled Start/Finish*	Status	Level of assurance
HR – Agency Staff	TBA		
Council Tax	Quarter 3 –Oct/Dec 2019	In progress	
Business Rates	Quarter 3 –Oct/Dec 2019	In progress	
Benefits/Council Tax Support	Quarter 3 –Oct/Dec 2019	In progress	
Housing Rents	Quarter 4 - Jan/March 2020		
Housing Strategy	Quarter 4 - Jan/March 2020		
Housing Repairs, Maintenance & Voids	Quarter 4 - Jan/March 2020		
Safeguarding	Quarter 1/2	Draft report issued	
Follow-up	Ongoing		
Recommendation Tracking – Targeted Follow Up Exercise	Quarter 1/2	Completed	Advisory

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

TBA = To be agreed