



# Ashfield District Council – Audit Progress Report

Audit Committee: 24th July 2018



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## Our Vision

Through continuous improvement, the central midlands audit partnership will strive to provide cost effective, high quality internal audit services that meet the needs and expectations of all its partners.

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# Ashfield District Council – Audit Progress Report

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## Introduction

### Role of Internal Audit

The Internal Audit Service for Ashfield District Council is provided by the Central Midlands Audit Partnership (CMAP). The Partnership operates in accordance with standards of best practice applicable to Internal Audit (in particular, the Public Sector Internal Audit Standards – PSIAS). CMAP also adheres to the Internal Audit Charter.

The role of internal audit is to provide independent assurance that the organisation's risk management, governance and internal control processes are operating effectively.

### Recommendation Ranking

To help management schedule their efforts to implement our recommendations or their alternative solutions, we have risk assessed each control weakness identified in our audits. For each recommendation a judgment was made on the likelihood of the risk occurring and the potential impact if the risk was to occur. From that risk assessment each recommendation has been given one of the following ratings:

- Critical risk.
- Significant risk.
- Moderate risk
- Low risk.

These ratings provide managers with an indication of the importance of recommendations as perceived by Audit; they do not form part of the risk management process; nor do they reflect the timeframe within which these recommendations can be addressed. These matters are still for management to determine.

### Control Assurance Definitions

Summaries of all audit reports are to be reported to Audit Committee together with the management responses as part of Internal Audit's reports to Committee on progress made against the Audit Plan. All audit reviews will contain an overall opinion based on the adequacy of the level of internal control in existence at the time of the audit. This will be graded as either:

- **None** - We are not able to offer any assurance. The areas reviewed were found to be inadequately controlled. Risks were not being well managed and systems required the introduction or improvement of internal controls to ensure the achievement of objectives.
- **Limited** - We are able to offer limited assurance in relation to the areas reviewed and the controls found to be in place. Some key risks were not well managed and systems required the introduction or improvement of internal controls to ensure the achievement of objectives.
- **Reasonable** - We are able to offer reasonable assurance as most of the areas reviewed were found to be adequately controlled. Generally risks were well managed, but some systems required the introduction or improvement of internal controls to ensure the achievement of objectives.
- **Comprehensive** - We are able to offer comprehensive assurance as the areas reviewed were found to be adequately controlled. Internal controls were in place and operating effectively and risks against the achievement of objectives were well managed.

This report rating will be determined by the number of control weaknesses identified in relation to those examined, weighted by the significance of the risks. Any audits that receive a None or Limited assurance assessment will be highlighted to the Committee in Audit's progress reports.

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## Audit Coverage

### Progress on Audit Assignments

The following table provides the Committee with information on how audit assignments were progressing as at 30<sup>th</sup> June 2018.

2018-19 Audit Plan Assignments	Type of Audit	Current Status	% Complete
Anti-Fraud & Corruption	Anti-Fraud/Probity/Investigation	Not Allocated	
Information Governance	Governance & Ethics Review	Not Allocated	
Electoral Services	Systems/Risk Audit	Fieldwork Complete	80%
Treasury Management/Banking Services	Key Financial System	Not Allocated	
Web Server Security	IT Audit	Allocated	
Digital Transformation Programme	IT Audit	Allocated	
Corporate Improvement/Transformation	Governance & Ethics Review	Not Allocated	
Risk Register	Governance & Ethics Review	Allocated	5%
Commercial Property Portfolio	Systems/Risk Audit	Not Allocated	
Housing Benefit & Council Tax Support	Key Financial System	Not Allocated	
Council Tax	Key Financial System	Not Allocated	
NDR	Key Financial System	Not Allocated	
Customer Services/E-Payments	Systems/Risk Audit	Not Allocated	
Waste Management	Systems/Risk Audit	In Progress	75%
Outdoor Recreation	Systems/Risk Audit	Allocated	10%
Safeguarding	Systems/Risk Audit	Allocated	5%
Fleetwave	Systems/Risk Audit	Allocated	10%
Licensing	Systems/Risk Audit	Allocated	5%
Strategic Housing	Systems/Risk Audit	Not Allocated	
Stocks & Stores	Systems/Risk Audit	Fieldwork Complete	90%
Procurement	Procurement/Contract Audit	Not Allocated	
<b>2017-18 Audit Plan Assignments</b>			
<b>Gas Safety</b>	<b>Systems/Risk Audit</b>	<b>Final Report</b>	<b>100%</b>
<b>Universal Credit &amp; Rent Arrears Recovery</b>	<b>Systems/Risk Audit</b>	<b>Final Report</b>	<b>100%</b>
<b>E-CINS Security Assessment</b>	<b>IT Audit</b>	<b>Final Report</b>	<b>100%</b>
<b>ICT Performance Management</b>	<b>IT Audit</b>	<b>Final Report</b>	<b>100%</b>
<b>Capital Accounting</b>	<b>Key Financial System</b>	<b>Final Report</b>	<b>100%</b>
<b>Housing Lettings/Allocations</b>	<b>Systems/Risk Audit</b>	<b>Final Report</b>	<b>100%</b>
<b>Housing Benefit &amp; Council Tax Support</b>	<b>Key Financial System</b>	<b>Final Report</b>	<b>100%</b>
<b>Pest Control</b>	<b>Anti Fraud/Systems/Risk</b>	<b>Final Report</b>	<b>100%</b>
<b>Payroll</b>	<b>Key Financial System</b>	<b>Final Report</b>	<b>100%</b>
<b>Health &amp; Safety</b>	<b>Systems/Risk Audit</b>	<b>Final Report</b>	<b>100%</b>
Commercial Property Investment	Governance & Ethics Review	Draft Report	95%
Contract Management	Procurement/Contract Audit	Draft Report	95%
Fixed Assets	Key Financial System	In Progress	65%

### Audit Plan Changes

With the agreement of the Council's Director of Legal and Governance (& Monitoring Officer) in June 2018, changes were made to the Internal Audit Plan to address emerging risks identified by management.

- Internal Audit will undertake an audit into the Fleetwave system at the request of management. Time originally assigned to the Leisure Centres audit will be utilised for the Fleetwave audit and accordingly the Leisure Centres audit has been withdrawn from the 2018-19 plan.
- Internal Audit will undertake an audit in Licencing at the request of management. Time originally assigned to the Partnership Governance audit will be utilised for the Licensing audit and accordingly the Partnership Governance audit has been withdrawn from the 2018-19 plan.

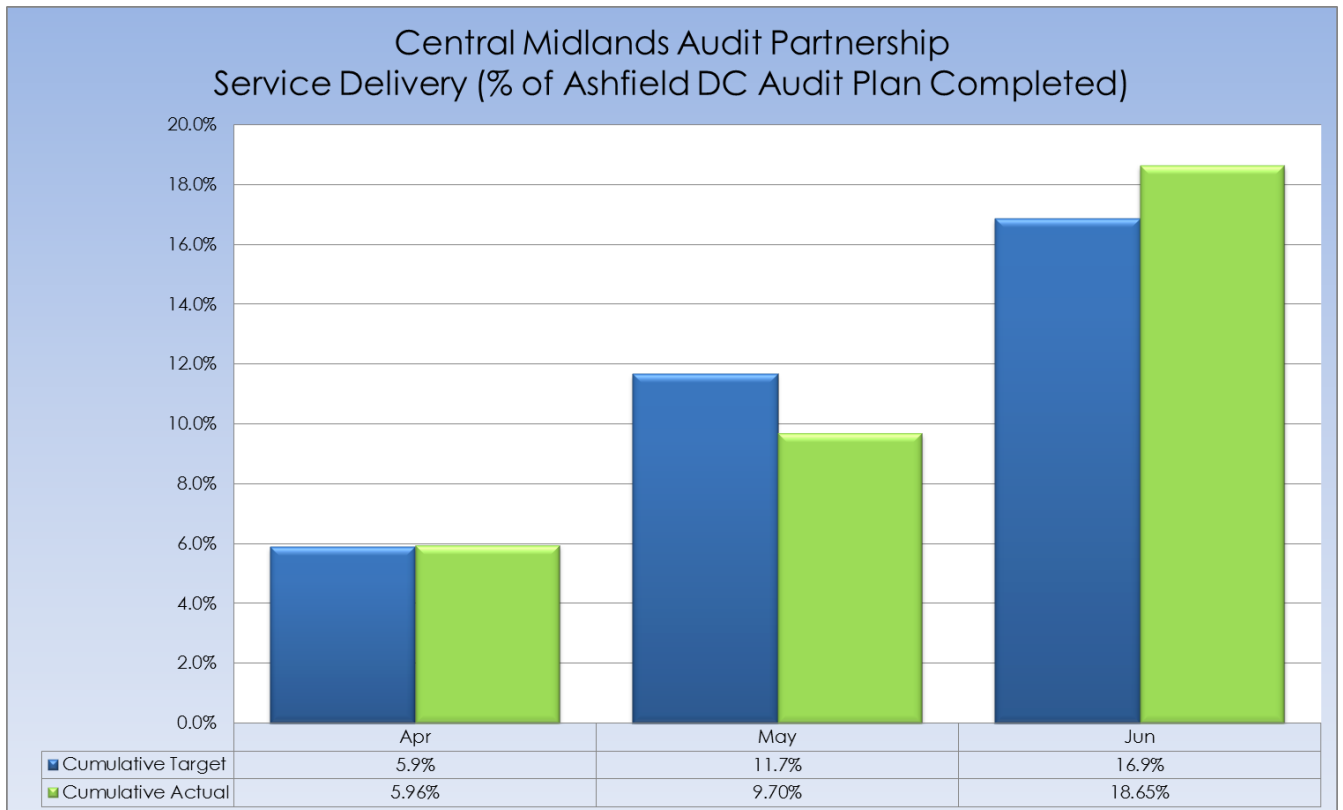
# Ashfield District Council – Audit Progress Report

## Service Delivery (% of Audit Plan Completed)

At the end of each month, Audit staff provide the Audit Manager with an estimated percentage complete figure for each audit assignment they have been allocated. These figures are used to calculate how much of each Partner organisation's Audit Plans have been completed to date and how much of the Partnership's overall Audit Plan has been completed.

Shown below is the estimated percentage complete for Ashfield's 2018-19 Audit Plan (including incomplete jobs brought forward) after approximately 3 months of the Audit Plan year.

The monthly target has been profiled to reflect the expected productive time available each month, but still assumes that time will be spent evenly over each partner organisation in proportion with their contributions which is not always the case.



# Ashfield District Council – Audit Progress Report

## Audit Coverage

### Completed Audit Assignments

Between 1<sup>st</sup> March 2018 and 30<sup>th</sup> June 2018, the following audit assignments reached their conclusion:

1. Gas Safety (**Reasonable**)
2. Universal Credit & Rent Arrears Recovery (**Comprehensive**)
3. E-CINS Security Assessment (**Limited**)
4. ICT Performance Management (**Reasonable**)
5. Capital Accounting (**Comprehensive**)
6. Housing Lettings/Allocations (**Reasonable**)
7. Housing Benefits & Council Tax Support (**Comprehensive**)
8. Pest Control (**Limited**)
9. Payroll (**Reasonable**)
10. Health & Safety (**Comprehensive**)

### Gas Safety

#### Overall Assurance Rating: **Reasonable**

This audit focused on the processes and procedures regarding Gas Safety, including how the Council ensured that inspections were completed by their anniversary. It also focused on the payment of invoices and the quality of the service provided.

From the 16 key controls evaluated in this audit review, 11 were considered to provide adequate control and 5 contained weaknesses. This report contained 4 recommendations, 2 are considered to present a low risk and 2 a moderate risk. The following issues were considered to be the key control weaknesses:

1. One property did not have a Gas Safety inspection within 12 months since last completion and the appointment scheduling / reminder process had not been followed. (**Moderate Risk**)
2. The Senior Team Leader in Support Services had approved two gas inspection invoices which were above their £5,000 authorisation level. (**Low Risk**)
3. There was no evidence that the Senior Technical Officer (Gas) had reviewed the failed quality control inspections to ensure no further work was required to bring the property up to standard. (**Low Risk**)
4. The Senior Operations Manager has concerns that the pay grade of the Senior Technical Officer (Gas) post would not attract and retain appropriately skilled and experienced applicants should the current post holder leave. (**Moderate Risk**)

All 4 of the issues in the report have been accepted. Management had taken action to address 3 of the issues at the time of issuing the final report and agreed to take action to address the remaining issue by 30<sup>th</sup> June 2018.

### Universal Credit & Rent Arrears Recovery

#### Overall Assurance Rating: **Comprehensive**

This audit focused on the arrangements made for the introduction of Universal Credit as rent arrears levels may be affected. It also considered the procedures in place to monitor and recover rent arrears, and reporting to stakeholders.

From the 6 key controls evaluated in this audit review, 2 were considered to provide adequate control and 4 contained weaknesses. This report contained 1 recommendation which is considered to present a low risk. The following issue was considered to be the key control weakness:

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1. Conflicting advice was provided to tenants on the use of cheques as a method of payment and the availability of cash office facilities. (Low Risk)

The issue in the report has been accepted. Management has taken action to partially address the issue and has committed to further action by 30<sup>th</sup> September 2019.

## E-CINS Security Assessment

### Overall Assurance Rating: **Limited**

This audit focused on the security, administration and management of the Council's usage of the e-Cins system. E-Cins is a multi-agency case management system funded by the Police and Crime Commissioner to support existing practises for supporting vulnerable persons and reducing crime. The council use the e-Cins system as a way to record any domestic cases that are reported to them e.g. noise complaints, fly-tipping and anti-social behaviour.

During the course of the audit we had to revise and reduce our testing scope due to being unable to obtain the necessary security related access reports, and being unable to acquire extracts of records for data quality and completeness testing. These issues have been raised as formal recommendations, as the current systems administrators would also need the ability to extract and analyse the exact same information in order to effectively monitor the security and accuracy of their e-Cins users and data.

From the 16 key controls evaluated in this audit review, 6 were considered to provide adequate control and 10 contained weaknesses. This report contained 10 recommendations, 6 are considered to present a low risk and 4 a moderate risk. The following issues were considered to be the key control weaknesses:

1. The Council's e-Cins users could not export bulk extracts of data from the system for data quality, reporting, completeness and accuracy exercises. (Low Risk)
2. There was no IP restrictions or two-factor authentication (2FA) process in place for Ashfield DC user access to the e-Cins system. (Moderate Risk)
3. Access to the e-Cins system was not protected against malicious bots and automated security attacks by a CAPTCHA/reCAPTCHA system. (Low Risk)
4. One officer granted organisation admin rights had recently changed roles but had not had their permissions revoked. (Moderate Risk)
5. No formal policy had been defined or documented for requesting and approving access to the e-Cins application for Ashfield DC users. (Low Risk)
6. An officer who had left the Council on the 4th August 2017 still had an active account in the system as per a report provided by the e-Cins Project Manager on the 21st of November 2017. Additionally, 13 active accounts had not logged into the system in over 90 days (and in 4 cases, over a year). (Moderate Risk)
7. There was no formal schedule in place for verifying user's group memberships, account status, and access to records. Additionally, responsibility did not appear to have been assigned for performing such a review between the current list of organisational admins at Ashfield DC. (Low Risk)
8. 2 shared accounts existed in the system, ADC CP NORTH and ADC CP SOUTH. Neither accounts seemed to be in active use, as one account had never been logged into, whereas the other account had not been logged into in over 12 months. (Low Risk)
9. Nobody in the Council had access to extract security permissions set against all records (profiles and case notes) processed by the Council within e-Cins, making comprehensive organisation wide record access validation exercises impractical. (Low Risk)
10. Current administrators of the system did not appear to have been sufficiently trained on the accessibility and whereabouts of security related reports that would need to be utilised for effective systems and security management. (Moderate Risk)

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All 10 of the issues in the report have been accepted. Management has agreed to take positive action for 1 of the issues by 30<sup>th</sup> April 2018, 8 of the issues by 30<sup>th</sup> June 2018 and for the remaining issue by 30<sup>th</sup> September 2018.

## ICT Performance Management

### Overall Assurance Rating: **Reasonable**

This audit focused on the performance indicators and measurements for the Council's IT section, to ensure that processes and metrics are in place (and approved by senior management) for measuring performance of day-to-day activities and for tracking performance against any defined service-level agreements, or other operational requirements.

From the 23 key controls evaluated in this audit review, 9 were considered to provide adequate control and 14 contained weaknesses. This report contained 5 recommendations, 3 are considered to present a low risk and 2 a moderate risk. The following issues were considered to be the key control weaknesses:

1. Despite commitment to performance management in the Council's latest Technology Strategy, we could not find any documented performance management metrics and goals to support this. Similarly, performance metrics for IT did not appear to be subject to annual review, or agreed or monitored by the Council. (**Moderate Risk**)
2. Reviews of the team's performance in relation to the resolution of incidents and service requests did not appear to comply with a formal schedule, and evidence of previous reviews could not be provided as the actions/discussions were not documented in minutes. (**Low Risk**)
3. Post project surveys were not required for key ICT projects to determine overall satisfaction on IT related projects from the Council and services affected. (**Low Risk**)
4. A small number of important servers were not monitored by the current monitoring software (Argent Guardian). This included Open Ashfield (a web based service for residents to view their Council Tax, Business Rates or Benefit records), the PSN Email server, and an application server for the legal application Iken. (**Moderate Risk**)
5. The IT team were unable to extract or demonstrate uptime statistics for monitored servers from with the monitoring solution (Argent Guardian), which would make effective performance monitoring and compliance reporting impractical. (**Low Risk**)

The issues raised within this report have been accepted. Management has committed to take positive action for 2 issues by 1<sup>st</sup> July 2018 and the remaining 3 issues by the 1<sup>st</sup> of September 2018.

## Capital Accounting

### Overall Assurance Rating: **Comprehensive**

This audit focused on reviewing the adequacy of the capital accounting governance, and monitoring and reporting arrangements; and the inclusion of capital and commercial property investment schemes on the Council's capital programme.

From the 17 key controls evaluated in this audit review, 12 were considered to provide adequate control and 5 contained weaknesses. This report contained 3 recommendations, all of which were considered to present a low risk. The following issues were considered to be the key control weaknesses:

1. There was some procedural guidance in place to cover the main capital accounting tasks, but it wasn't complete. (**Low Risk**)
2. A review process to document expected and actual outcomes from Capital Projects, including investment properties, was not currently being produced. (**Low Risk**)
3. As the Council had not to date utilised flexibilities around Capital receipts, it had not produced a Flexible Use of Capital Receipts Strategy as required by Ministry of Housing, Communities and Local Government guidance. (**Low Risk**)



# Ashfield District Council – Audit Progress Report

All 3 of the issues identified have been accepted. Positive action was agreed to be taken in respect of all recommendations by 30<sup>th</sup> September 2018.

## Housing Lettings/Allocations

### Overall Assurance Rating: **Reasonable**

This audit focused on the procedures and processes in place to control housing allocations and lettings.

From the 21 key controls evaluated in this audit review, 17 were considered to provide adequate control and 4 contained weaknesses. This report contained 4 recommendations, 3 are considered to present a low risk and 1 a moderate risk. The following issue was considered to be the key control weakness:

1. There was only one key to each of the cabinets used to store Application files. (Low Risk)
2. An applicant had been included on the Direct Lets and Under-Occupiers spreadsheet that had not been approved for a direct let. The entry on the spreadsheet didn't indicate that approval has not been gained. (Low Risk)
3. Access to the room in the Sutton Office where tenants' hard copy files were stored was not restricted. (Moderate Risk)
4. We recommend that Management determine appropriate arrangements for the movement of tenant files that ensures security and accountability are maintained. (Low Risk)

All 4 issues raised within this report have been accepted. Action has already been taken to address one of the issues and management have agreed to take action to address the remaining 3 weaknesses by 30<sup>th</sup> June 2018.

## Housing Benefits & Council Tax Support

### Overall Assurance Rating: **Comprehensive**

This audit focused on ensuring that the Revenues section has put in place procedures to ensure that errors found in Subsidy claims are corrected and action is taken to ensure those errors do not recur.

The audit also sought to ensure that there are plans in place for dealing with the change to Housing Benefits regarding the roll out of Universal Credit, and that these plans include any issues regarding reclaiming of overpayments.

From the 10 key controls evaluated in this audit review, 7 were considered to provide adequate control and 3 contained weaknesses. This report contained 3 recommendations, all of which are considered to present a low risk. The following issues were considered to be the key control weaknesses:

1. There was a lack of evidence of changes in the subsidy claim being communicated to the Finance section. (Low Risk)
2. The Council was not performing the target number of quality control checks on housing benefit claims processed. (Low Risk)
3. There was not a full plan in place for the roll out of full service Universal Credit with in the revenues section as the Corporate Manager for Customer Services and Revenues has made the decision to delay the production of a forward plan until the Council had received full guidance from Department of Work and Pensions. (Low Risk)

The 3 issues within this report have been accepted. Positive action had been taken for 2 of the issues by the time the final report was issued. Management has committed to take positive action for the remaining issues by the 1<sup>st</sup> June 2018.

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## Pest Control

### Overall Assurance Rating: **Limited**

A whistleblowing allegation was investigated by CMAP and a report to Management was issued. A system weakness report has been produced to identify any weaknesses in control and suggest control improvements that have been recognised as part of the investigatory work.

This report contained 6 recommendations, 1 is considered to present a low risk and 5 a moderate risk. The following issues were considered to be the key control weaknesses:

1. 43 out of 65 refunds tested for the pest control service could not be identified with the originating request in Flare. (**Moderate Risk**)
2. There was no reconciliation of expected pest control income to actual income received in the ledger. (**Moderate Risk**)
3. The pest control stock held in the storeroom at the Council Offices was accessible to a number of officers. Hazardous chemicals were not kept in a secure area within the storeroom. (**Moderate Risk**)
4. There was no formal procedure for recording the usage of pest control stock, and both the receipt and issue of stock were not subject to check or authorisation. We also found stock control records to be inaccurate. (**Moderate Risk**)
5. There was no control of the stock on the Pest Control Vans and the use of stock per job was not recorded. (**Low Risk**)
6. The Council had chemical waste stored in the back of an outbuilding at the Council offices and access was not limited to Pest Control Officers. (**Moderate Risk**)

All 6 of the issues raised within this report have been accepted. Management have agreed to take actions to address 4 of the issues by 31<sup>st</sup> August 2018 and the remaining 2 issues by 31<sup>st</sup> October 2018.

## Payroll

### Overall Assurance Rating: **Reasonable**

This audit focused on the processes in place for making changes to the establishment, ensuring that revised procedures for BACS payment processing are working effectively and that payroll journals are controlled by Ashfield District Council.

From the 13 key controls evaluated in this audit review, 7 were considered to provide adequate control and 6 contained weaknesses. This report contained 5 recommendations, all of which are considered to present a low risk. The following issues were considered to be the key control weaknesses:

1. The checks on the Establishment List at December 2017 had not been fully reviewed and approved for all Council sections, and Management had not been informed. (**Low Risk**)
2. The Payroll Shared Services were not being routinely informed when the BACS payment run had been completed successfully by Ashfield District Council. (**Low Risk**)
3. There was a lack of accountability for the checks undertaken on the payroll exceptions report as the Payroll Officer did not sign and date the document to evidence their check. (**Low Risk**)
4. The Payroll Shared Service had not consistently adhered to targets set for the sharing of BACS submission documents and there was a lack of Management monitoring of the targets set. (**Low Risk**)
5. The Salaries Control Account was not cleared on a regular basis. (**Low Risk**)

The 5 issues within this report have been accepted. Management have committed to take positive action for all issues by the 30<sup>th</sup> June 2018.

# Ashfield District Council – Audit Progress Report

## Health & Safety

### Overall Assurance Rating: **Comprehensive**

This audit focused on ensuring the Council is compliant with the Health and Safety at Work Act 1974. Health and Safety is an integral part of corporate governance and risk management and has a significant part to play in ensuring the Council does all that it can to minimise potential risks on a day-to-day basis.

On 1 October 2016, Ashfield Homes Limited was brought back under the control of the Council, incorporating them as the Housing and Assets Directorate. A Service Plan was in place to amalgamate processes of the Directorate with the rest of the Council. At the time of this review, the Health and Safety processes in the Housing and Assets Directorate still differed from the rest of the Council.

From the 5 key controls evaluated in this audit review, 2 were considered to provide adequate control and 3 contained weaknesses. This report contained 3 recommendations, all of which are considered to present a low risk. The following issues were considered to be the key control weaknesses:

1. A Committee with delegated responsibility for Health and Safety was not in place. (Low Risk)
2. Version control information on Health and Safety policies of both the Council and the Housing and Assets Directorate had not been adequately documented. (Low Risk)
3. There was no annual report on Corporate Health and Safety or information on monitoring compliance with Health and Safety legislation provided to Council Members. (Low Risk)

All 3 of the issues raised within this report have been accepted. Management have agreed to take actions to address 2 of the issues by 31<sup>st</sup> October 2018 and the remaining issue by 31<sup>st</sup> July 2019.

# Ashfield District Council – Audit Progress Report

## Customer Satisfaction

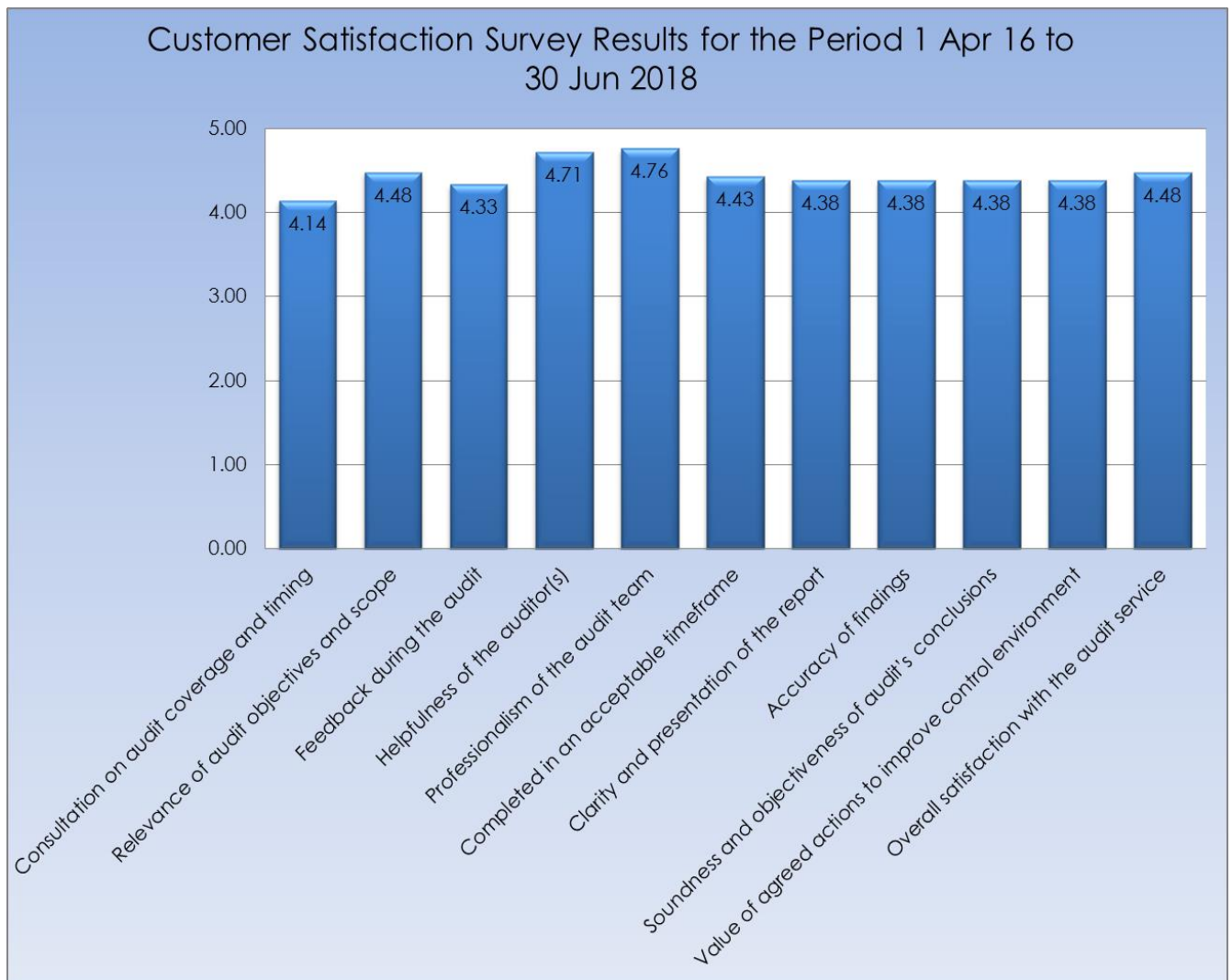
### Survey Results

The Audit Section sends out a customer satisfaction survey with the final audit report to obtain feedback on the performance of the auditor and on how the audit was received. The survey consists of 11 questions which require grading from 1 to 5, where 1 is very poor and 5 is excellent. The chart across summarises the average score for each question from the 21 responses received between 1<sup>st</sup> April 2016 and 30<sup>th</sup> June 2018. The overall average score from the surveys was 48.9 out of 55.

The overall responses are graded as either:

- Excellent (scores 47 to 55)
- Good (scores 38 to 46)
- Fair (scores 29 to 37)
- Poor (scores 20 to 28)
- Very poor (scores 11 to 19)

Of the 21 responses received to date, 16 categorised the audit service they received as excellent and the other 5 as good.



# Ashfield District Council – Audit Progress Report

## Recommendation Tracking

### Follow-up Process

The Council has operated its own procedure for monitoring the implementation of agreed Audit recommendations. This process will now be undertaken by Internal Audit.

Internal Audit has developed a bespoke system whereby emails, automatically generated by our recommendations database, can be sent to officers responsible for action where their recommendations' action dates have been exceeded. The emails request an update on each recommendation's implementation status, which will be fed back into the database, along with any revised implementation dates.

Each recommendation made by Internal Audit will be assigned one of the following "Action Status" categories as a result of our attempts to follow-up management's progress in the implementation of agreed actions. The following explanations are provided in respect of each "Action Status" category:

- **Action Due** = Action is due and Audit has been unable to ascertain any progress information from the responsible officer.
- **Future Action** = Action is not due yet, so Audit has not followed up.
- **Implemented** = Audit has received assurances that the agreed actions have been implemented.
- **Superseded** = Audit has received information about changes to the system or processes that means that the original weaknesses no longer exist.
- **Being Implemented** = Management is still committed to undertaking the agreed actions, but they have yet to be completed. (This category should result in a revised action date)
- **Risk Accepted** = Management has decided to accept the risk that Audit has identified and take no mitigating action.

### Implementation Status Details

Reports to the Committee are intended to provide members with an overview of the current implementation status of all agreed actions to address the control weaknesses highlighted by audit recommendations made between 1<sup>st</sup> April 2016 and 11<sup>th</sup> July 2018:

	Implemented	Being Implemented	Risk Accepted	Superseded	Action Due	Future Action	Total
Low Risk	125	15	2	1	13	12	<b>168</b>
Moderate Risk	31	4	0	0	3	19	<b>57</b>
Significant Risk	2	0	0	0	0	0	<b>2</b>
Critical Risk	0	0	0	0	0	0	<b>0</b>
<b>Totals</b>	<b>158</b>	<b>19</b>	<b>2</b>	<b>1</b>	<b>16</b>	<b>31</b>	<b>227</b>

The table below shows those recommendations not yet implemented by dept.

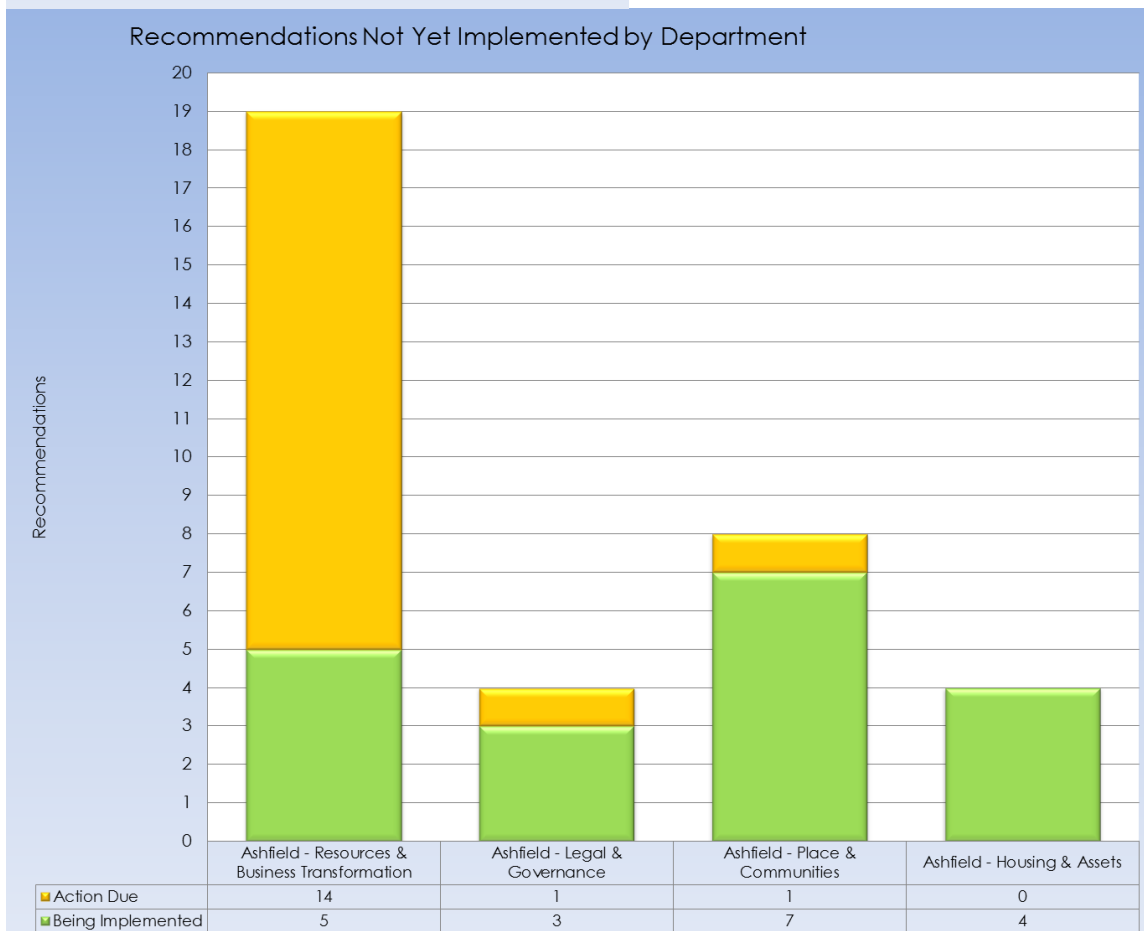
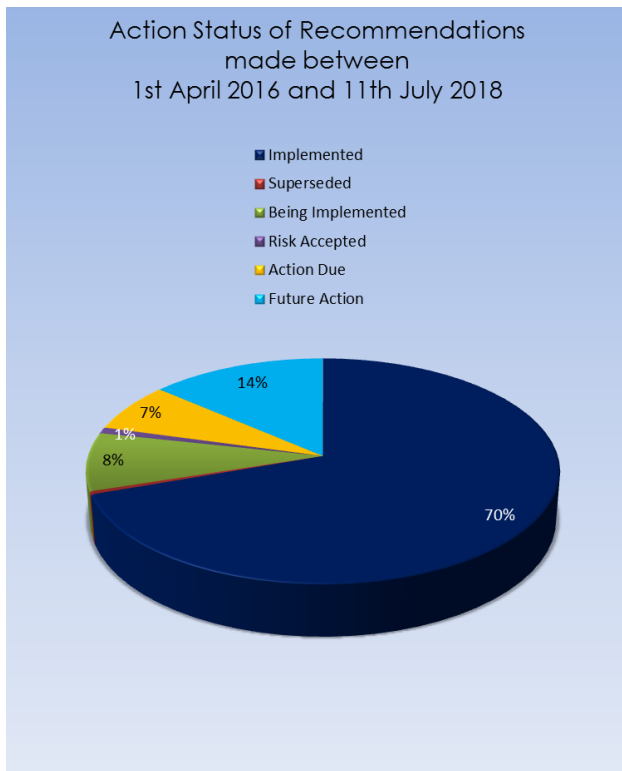
Recommendations Not Yet Implemented	Resources & Business Transformation	Legal & Governance	Place & Communities	Housing & Assets	Totals
Being Implemented	5	3	7	4	<b>19</b>
No progress information	14	1	1	0	<b>16</b>
	<b>19</b>	<b>4</b>	<b>8</b>	<b>4</b>	<b>35</b>

Internal Audit has provided Committee with summary details of those recommendations still in the process of 'Being Implemented' and those that have passed their due date for implementation. We will provide full details of any moderate, significant or critical risk issues where management has decided not to take any mitigating actions (shown in the 'Risk Accepted' category above). Both of the risk accepted issues shown above have already been reported to this Committee.

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## Recommendation Tracking

### Implementation Status Charts



# Ashfield District Council – Audit Progress Report

## Recommendation Tracking

### Highlighted Recommendations

We have included this section of this report to bring recommendations to your attention for the following reason:

- Any Moderate, Significant or Critical risk recommendations (either being implemented or with no response) that have passed their original agreed implementation date.
- Any Low risk recommendations still being implemented where it has been more than a year since the original agreed implementation date or those with no response where it has been more than 3 months since the original agreed implementation date.

### Resources & Business Transformation

#### ICT Performance Management

**Control Issue 4** - A small number of important servers were not monitored by the current monitoring software (Argent Guardian). This included Open Ashfield (a web based service for residents to view their Council Tax, Business Rates or Benefit records), the PSN Email server, and an application server for the legal application Iken.

**Risk Rating** – Moderate Risk

**Status Update** - No response received.

**Original Action Date** 01 Jul 2018      **Revised Action Date** n/a.

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#### E-CINS Security Assessment

**Control Issue 2** - There was no IP restrictions or two-factor authentication (2FA) process in place for Ashfield DC user access to the e-Cins system.

**Risk Rating** – Moderate Risk

**Status Update** - No response received.

**Original Action Date** 30 Jun 2018      **Revised Action Date** n/a.

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#### OPEN Housing IT Security Assessment

**Control Issue 8** - The application did not enforce data retention policies for all records processed. We were informed some processes and routines included options to make records historic or in-active, however this was not consistent throughout the application.

**Risk Rating** – Low Risk

**Status Update** - The latest version of OPENHousing is in the Test environment. Testing is planned to be completed by the end of September.

**Original Action Date** 30 Jun 17      **Revised Action Date** 30 Sep 18

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**Control Issue 11** - The existing software licence agreement (which was in effect until the 31st March 2017) for the application stipulated a 70 concurrent user's agreement. However, at the time of testing, there were 291 accounts in the co-users table which did not have the disabled flag set. There also didn't appear to be active monitoring in place, nor any obvious functionality within the application to identify login sessions so we could monitor compliance against the terms of the agreement.

**Risk Rating** – Low Risk

**Status Update** – Management are in talks with Capita to resolve this issue.

**Original Action Date** 30 Jun 17      **Revised Action Date** 1 Oct 18

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# Ashfield District Council – Audit Progress Report

## Main Accounting (MTFP)

**Control Issue 5** - Crucial formulae and information within the MTFP spreadsheet model had not been protected to prevent accidental change or unauthorised amendment.

**Risk Rating** – Low Risk

**Status Update** - A new MTFS model is expected to be in place by the end of August, providing greater security.

**Original Action Date** 28 Feb 17      **Revised Action Date** 31 Aug 18

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**Control Issue 10** - An assessment on the "Robustness of Estimates" had not been included in the Revenue Budget report provided to Council Cabinet as part of the process in considering the Council's budget requirement.

**Risk Rating** – Low Risk

**Status Update** - Inclusion of comments regarding the Robustness of Estimates has been an oversight as part of producing the 18/19 budget report. Analysis has been undertaken of the budget changes. A paragraph will be included as part of next year's report.

**Original Action Date** 28 Feb 17      **Revised Action Date** 31 Dec 18

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## Treasury Management 2016-17

**Control Issue 1** - The Council was not fully complying with the CIPFA Treasury Management code with respect to assessing the need for Member training. Member training was only scheduled for once every 4 years. The CIPFA Treasury Management self-assessment document had not been completed.

**Risk Rating** – Low Risk

**Status Update** - No response received.

**Original Action Date** 31 Dec 17      **Revised Action Date** n/a

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## Legal & Governance

### Data Quality & Performance Management

**Control Issue 1** - Data quality related risks were not covered in the Corporate Risk Register.

**Risk Rating** – Low Risk

**Status Update** – No response received.

**Original Action Date** 31 Dec 17      **Revised Action Date** n/a

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## Place & Communities

### Markets

**Control Issue 1** - The accuracy of the market trader information stored on the Square system could not be confirmed as the supporting documentation for 5 trader accounts was not available.

**Risk Rating** – Moderate Risk

**Status Update** – A compliance requirement document has been developed, traders will complete this form and the information will be used as a check of the information on square system.

**Original Action Date** 19 Mar 18      **Revised Action Date** 15 May 18

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**Control Issue 2** - The payment data in the Square system was not being reconciled to the Market Attendance spread sheet, the Maps data and the General Ledger.

**Risk Rating** – Moderate Risk

**Status Update** – No accompanying comment received.



# Ashfield District Council – Audit Progress Report

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Original Action Date 19 Mar 18      Revised Action Date 20 Apr 18

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## Depot Income

Control Issue 8 - The Ledger codes were not reconciled to the income received at the Depot.

Risk Rating – **Moderate Risk**

Status Update – With the present staffing levels within Transport this action will now not be completed until the 2 vacant posts have been filled, which could take until Sept 2018.

Original Action Date 31 Dec 17      Revised Action Date 30 Sep 18

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## Private Sector Housing

Control Issue 5 - There was not a central record for monitoring the status of enforcement cases to ensure key actions had been completed.

Risk Rating – **Moderate Risk**

Status Update – Awaiting clarification of response received.

Original Action Date 31 Aug 17      Revised Action Date n/a

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## Refuse Collection

Control Issue 1 - There was no up-to-date all-encompassing waste strategy in place at the Council.

Risk Rating – **Low Risk**

Status Update – A draft strategy has been produced and will be refined before taking through the Council's formal approval processes.

Original Action Date 31 Mar 17      Revised Action Date 31 Dec 18

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## Housing Services

### Gas Safety 2017-18

Control Issue 8 - The Senior Operations Manager has concerns that the pay grade of the Senior Technical Officer (Gas) post would not attract and retain appropriately skilled and experienced applicants should the current post holder leave.

Risk Rating – **Moderate Risk**

Status Update – This post is part of a significant service review that will involve changes to IT, service delivery and restructures. The service review is underway but not likely to be completed for some time.

Original Action Date 30 Jun 18      Revised Action Date 30 Mar 19

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# Ashfield District Council – Audit Progress Report

## Status of Previous Audit Recommendations

### Recommendations Not Implemented

There were a number of Audit Recommendations that were issued and agreed prior to Ashfield District Council joining the Central Midlands Audit Partnership. One legacy recommendation remains outstanding relating to Ashfield Homes Ltd. This will continue to be monitored and details are provided below.

### Ashfield Homes Ltd – Outstanding Recommendations

Report	Recommendation	Responsible officer	Due date	Update
C Housing Maintenance 15/16-10	The full review of the in-house Schedule of Rates is given an end target date, and progress is monitored and reported to SMT.	Responsive and Voids Maintenance Manager & Support Services Manager	31/03/19	A full programme is in place to complete the review of the schedule of rates. Progress of this will be monitored through Senior Management Team Update 16/11/2016 Potentially looking at buy off the shelf paperless system and therefore changing the system altogether. Update 01/02/2017 – No further updates. Any action has been put on hold as there is a service review underway. Update 10/07/2017 – The full review of in-house Schedule of Rates is now in progress. Update 10/07/18 - This recommendation is now tied in to a significant service review that will involve changes to IT, service delivery and restructures. As part of the service review both in-house and national Schedule of Rates are being considered.