



# **INTERNAL AUDIT SHARED SERVICE**

**North West Leicestershire District Council**

**Internal Audit Progress Report 2024/25 Q1**

## 1. Introduction

- 1.1. Internal Audit is provided through a shared service arrangement led by North West Leicestershire District Council and delivered to Blaby District Council and Charnwood Borough Council. The assurances received through the Internal Audit programme are a key element of the assurance framework required to inform the Annual Governance Statement. The purpose of this report is to highlight progress against the 2024/25 Internal Audit Plan up to 30 June 2024.

## 2. Internal Audit Plan Update

- 2.1 The majority of the first quarter has been focused on the completion of the 2023/24 audit plan. Delays in completing the plan have been due to staffing issues within both the audit service and services being audited. There have been fourteen audit reports issued since the last report. Due to the number of reports, it has been agreed that the following will be discussed at the Audit and Governance Committee meeting on 7 August 2024 -

- Housing Repairs
- Housing Planned Maintenance
- HMO's
- Asbestos Management
- Remote Support and Data Exchange
- Cyber Security – CONFIDENTIAL

Summaries of the reports are detailed in appendix B.

The remaining audit reports, detailed below, will be discussed at the Audit and Governance Committee meeting on 22 August 2024 -

- Creditors
- Debtors
- Main Accounting and Budgetary Control
- Treasury Management
- Safeguarding
- Workforce Planning
- Capital Programme Management
- Procurement and Contract Management

- 2.3 The 2024/25 audit plan is included at Appendix A for information.

## 3. Internal Audit Recommendations

- 3.1. Internal Audit monitor and follow up critical, high and medium priority recommendations. There are currently no overdue recommendations. Further details of extended recommendations are detailed in Appendix C for information.

Year	Not Due		Extended		Overdue	
	High	Medium	High	Medium	High	Medium
21/22	-	-	5	1	-	-
22/23	-	-	9	5	-	-
23/24	65	50	3	-	-	-

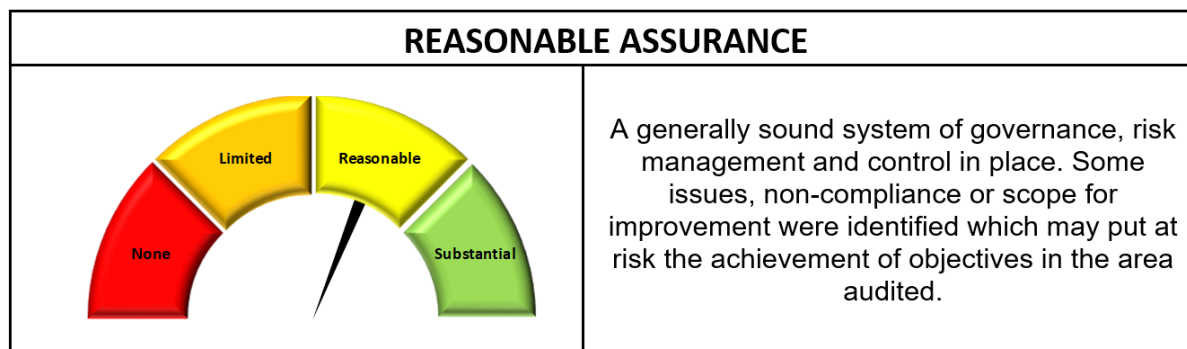
#### **4. Internal Audit Performance Indicators**

- 4.1. Progress against the agreed Internal Audit performance targets is documented in Appendix D.

2024/25 AUDIT PLAN AS AT 30 JUNE 2024

Audit Area	Type	Planned Days	Actual Days	Status	Assurance Level	Recommendations				Comments
						C	H	M	L	
Housing	Audit	30		To be agreed						
Housing Compliance	Audit	20		Q3						
Housing Contract Management	Audit	15		Q2						
Housing Stocktakes	Audit	2		To be agreed						
Tree Stock Management	Audit	8	0.5	Engagement Planning						
Waste Services	Audit/ Advisory	20		To be agreed						
Insurance	Audit	8	0.5	Engagement Planning						
VAT & Benefits in Kind	Audit	10		Q2						
Key Financial Systems	Audit	55		Q3,4						
Regeneration Projects	Consultancy	20	12	In progress						
IT Audits	IT Audit Contractor	20		To be agreed						
Net Zero	Audit	8		Q3						
Driver Checks	Advisory	6	0.5	In progress						
Transformation Projects	Advisory	3		As required						
Complaints	Audit	12		Q2						
UKSPF	Audit	8		Q2						To be moved to Q3
Changing Places	Grant	2		Q3						To be moved to Q3
Procurement & Contract Management	Audit	12		Q4						
<b>Outstanding from 23/24</b>										
Fleet Management	Audit	8	14	Draft	Limited	-	19	2	-	
Asbestos Management	Audit	10	12	Complete	Limited	-	11	1	-	
Debtors	Audit	10	10	Complete	Limited	-	7	4	1	

Creditors	Audit	10	10	Complete	Limited	-	9	5	-	
Main Accounting	Audit	10	10	Complete	Limited	-	8	4	-	
Treasury Management	Audit	8	7	Complete	Limited	-	5	1	-	
Housing Repairs	Audit	40	51	Complete	Limited	-	4	16	-	
Housing Planned Maintenance	Audit	40	24	Complete	Limited	-	9	2	1	
HMO's	Audit	10	7.5	Complete	Reasonable	-	3	4	2	
Safeguarding	Audit	8	20.5	Complete	Limited	-	6	7	3	
Workforce Planning	Audit	8	5.5	Complete	Limited	-	3	-	-	
Remote Support & Data Exchange	Audit	10	10	Complete	Limited	1	4	4	-	
Cyber Security	Audit	10	10	Complete	Limited	2	-	12	2	
Capital Programme Management	Audit	10	5.5	Complete	Limited	-	3	6	-	
Procurement & Contracts	Audit	10	15	Complete	Limited	-	5	3	-	
Rent Accounting	Audit	10	9	Draft	Reasonable	-	1	5	-	

**SUMMARY OF FINAL AUDIT REPORTS ISSUED DURING 2024/25 Q1 FOR DISCUSSION AT THE 7 AUGUST MEETING****HMO's****Key Findings**

Areas of positive assurance identified during the audit:

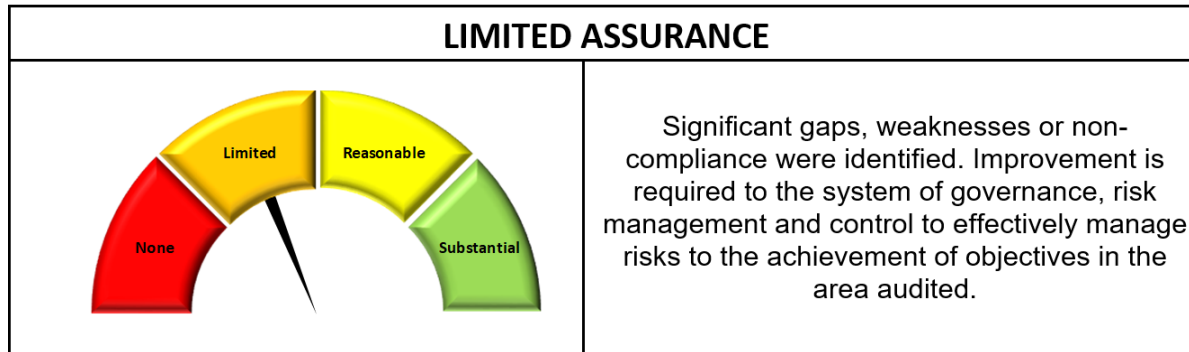
- Policies and procedures are available to all relevant staff.
- HMO fees have been approved and published as required and income due is collected.
- Officers are suitably qualified.

The main areas identified for improvement are:

- The recording of verification checks and retention of documents.
- The checking of applications.
- The scheduling and completion of interim inspections.

<b>Recommendation</b>	<b>Priority</b>	<b>Response/Agreed Action</b>	<b>Officer Responsible</b>	<b>Implementation Date</b>
1. The internal procedure is revised to include the requirement to consider the Article 4 Direction for relevant applications.	Medium	Agreed.	Environmental Protection Team Manager	September 2024
2. Service managers are reminded annually of the requirement to publicise the revised fees and charges relating to their service area.	Medium	Agreed	Anna Crouch – Head of Finance	February 2025
3. The discrepancy in respect of the information relating to the number of self-contained units is investigated and resolved to ensure that all details are accurately recorded on the Public Register.	Medium	Agreed. To be actioned after the next system update which is due in Jun-24.	Systems Support Officer.	August 2024
4. A consistent document retention procedure is agreed, documented and communicated to all relevant staff.	Medium	Agreed.	Environmental Protection Team Manager	September 2024
5. Officers are reminded that all verification checks must be recorded and supporting evidence retained where required.	High	Agreed.	Public Protection Team Leader	June 2024
6. A supervisory checking process is introduced to ensure that applications are processed correctly, and all key documents have been provided and retained on file before a licence is issued.	High	Agreed.	Environmental Protection Team Manager	September 2024 and ongoing.
7. The system case records of all current licences are checked and updated as required to confirm that the next inspection due has been scheduled (and completed where applicable) in accordance with the relevant risk assessment.	High	Agreed.	Public Protection Team Leader	July 2024

## Remote Support & Data Exchange



The level of assurance indicated is as a result of the critical and high recommendations made in respect of controls reviewed. The critical issue was addressed during the course of review. These have not been re-visited / tested.

### Key Findings

Areas of positive assurance identified during the audit:

- A policy has been drawn which relates to these two key areas (ICT and Cyber Security Policy) and has been approved by management. There is, though, a need to enhance these to cover some other key issues. Internal audit are currently completing a review of the Policy framework at the Council and will be making corporate recommendations accordingly.
- Steps have been taken to deploy the TeamViewer solution to manage remote third party connections. Some suggested additional controls have been recommended to enhance management controls including monitoring.
- It is understood a piece of work is planned relating to the Information Governance Framework in 2024. This is noted, however, some tasks may need to be completed urgently given our findings.

The main areas identified for improvement are:

- There is an urgent need to ensure data transfers are being completed adequately where they are being undertaken by service users.
- The ICT and Cyber Security Policy needs to be enhanced to cover all key issues.
- Key tasks need to be completed regarding Data Transfers. Briefly these are:



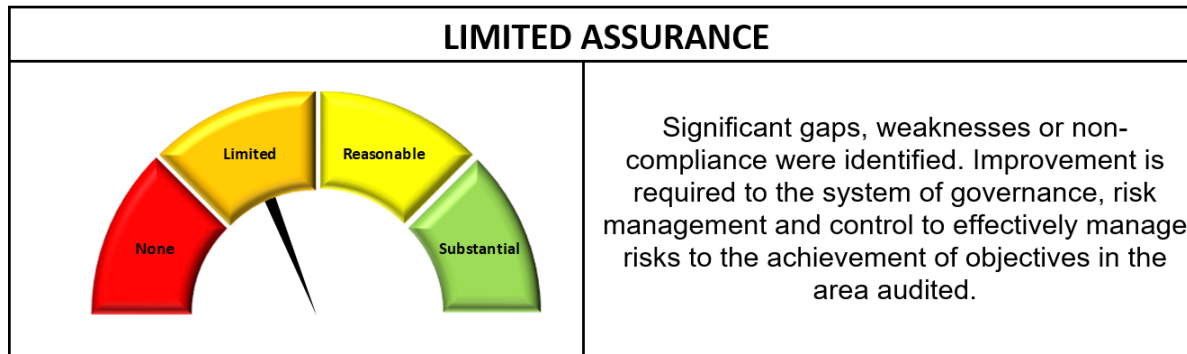
- Need to provide corporate guidance.
- Maintain a corporate register of data transfers.
- Ensure DPA risk assessments are in place, and reviewed periodically, for data transfers.
- Ensure appropriate agreements / contracts exist for data transfers undertaken.
- Key tasks need to be completed regarding remote third-party connections. Briefly these are:
  - Review available settings for the TeamViewer solution and activate key controls.

Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
<p>1.The IT Manager should look to enhance the ICT and Cyber Security Policy to cover the following:</p> <p><u>Remote Support Third Parties (2.1 Identification of Risks from Third Party Connections)</u></p> <ul style="list-style-type: none"> <li>➤ Reference should be made to any data accessed / viewed or downloaded.</li> <li>➤ That ICT use management / audit logs to monitor activity.</li> <li>➤ Destruction / retention of data requirements.</li> <li>➤ Removal of access rights for remote support including any additional actions expected / required should this be necessary.</li> </ul> <p><u>Data Exchanges 6.8 Data and Software Exchange</u></p> <ul style="list-style-type: none"> <li>➤ Should reference preferred method of transfer, security considerations including provision of security information i.e. encryption / password parameters.</li> <li>➤ Electronic transfers need to be added and in greater detail and should cover user responsibilities, messaging and need for suitable agreements / contracts.</li> <li>➤ Risk assessment requirement should be updated to reference electronic transfers. Currently it only states need for hardware access.</li> </ul> <p>Reference to the “Records Management Officer” should be updated accordingly.</p> <p>Internal Audit have / are currently reviewing the Policy framework at the Council and will be making corporate recommendations accordingly.</p>	Medium	ICT and Cyber Security policy will be updated to reflect the recommendation. Data protection officer will be included to review the policy in terms of data exchanges/ protection.	ICT Team Manager and Data Protection Officer	September 2024
<p>2.A corporate register of data transfers should be documented and maintained. This should include a process for new data transfers to be notified to a nominated lead.</p>	Medium	The Council holds a Data Sharing Agreements Register. This will be reviewed and updated as part of the Information Governance Review to ensure that the information required is included.	Data Protection Officer	January 2025

<p>3.Steps should be taken to ensure risk assessments are in place for all data transfers in operation. Going forward it should be a requirement that all data transfers are risk assessed prior to operation. This should be prepared by the users in the directorates and approved by senior management. Once complete it should be communicated to the Data Protection Officer / other stakeholders as necessary.</p>	High	<p>The Council carries out Data Protection Impact Assessments. The process and guidance for these will be reviewed and updated as part of the Information Governance Review to ensure that staff are aware when such an assessment is required.</p>	Data Protection Officer	January 2025
<p>4.ICT management to review settings relating to the following:</p> <ul style="list-style-type: none"> <li>➤ Ensure any security related settings / parameters are set to support agreed policy.</li> <li>➤ To review the access for users defined to some of the functionality available.</li> <li>➤ Ensure alerting is enabled, where available, to notify any significant issues relating to use / connections made. These should be forwarded automatically to key ICT staff.</li> <li>➤ Review the available management / audit log enabling this for significant events. ICT management should ensure that if a user ID is deleted from the TeamViewer solution such a deletion does not undermine the integrity of the log data i.e. that user's data is "lost".</li> </ul> <p>Going forward ICT management will need to ensure these settings are documented accordingly and reviewed on a regular basis and evidenced.</p>	Medium	<p>Configuration settings in team viewer will be reviewed, to reflect the recommendation where possible.</p> <p>TeamViewer policy for 3<sup>rd</sup> party access will also be updated to reflect the changes</p>	ICT Services Support Manager	June 2024
<p>5.ICT process document (<i>TeamViewer - Use For 3rd Party Support</i>) should be reviewed and enhanced to ensure it supports the agreed approach for security and cover other work / tasks to be carried out by ICT staff in relation to the remote support work for third parties.</p>	Medium	<p>Will be reviewed in conjunction with the above recommendation</p>	ICT Team Manager	June 2024
<p>6.Appropriate controls should be confirmed for any data transfers being undertaken elsewhere in the Council.</p>	Critical	<p>Agreed. This has been implemented and only data is only sent through secure sources.</p>	FINANCE & IT	Implemented

<p>7.Steps should be taken urgently to ensure any users involved in data transfers are provided with guidance. As a minimum this should be issued to users, undertaking data transfers, to address the following:</p> <ul style="list-style-type: none"> <li>➤ Roles and responsibilities of all parties.</li> <li>➤ Protection of data including security requirements for passwords used.</li> <li>➤ Transmission of security related information.</li> <li>➤ Covering messages regarding transmissions and key responsibilities.</li> <li>➤ Use of checklists to ensure all tasks are completed as required.</li> <li>➤ Storage of any “local” data retained and retention including destruction.</li> <li>➤ Need for local procedures to be documented.</li> </ul>	High	<p>A procedure on the data protection aspects of information sharing has been drafted as part of the Information Governance Review and was shared as part of the audit. This procedure can be reviewed by the IT Manager to add any technical requirements. The procedure will be launched as part of the wider Information Governance Toolkit.</p>	<p>Data Protection Officer and ICT Team Manager</p>	<p>January 2025</p>
<p>8.Urgent steps should be taken to ensure the agreement / contract for the provision of the Market Harbough District Council has been signed and is in force. Steps should be taken to ensure the agreement / contract cover all key areas.</p>	High	<p>Agreed. This is currently being reviewed.</p>	<p>Interim Exchequer Services Team Leader</p>	<p>September 2024</p>
<p>9.A contract / agreement should be put in place for all external data transfers being undertaken. Such a contract / agreement should be subject to an annual review or should the recipient / provider of data change.</p>	High	<p>The draft procedure for information sharing, shared as part of the audit, sets out when a data sharing agreement or data processing agreement is required. The Council has template agreements for this purpose (also shared as part of the audit) but it may be appropriate in other circumstances to use a standard template provided by another party. Each agreement will be reviewed in accordance with its terms based on what is appropriate on a case-by-case basis.</p>	<p>Data Protection Officer</p>	<p>January 2025</p>

## HOUSING PLANNED MAINTENANCE



### Key Findings

Areas of positive assurance identified during the audit:

- There are appropriate five-year work programmes in place for home improvement works and cyclical painting.

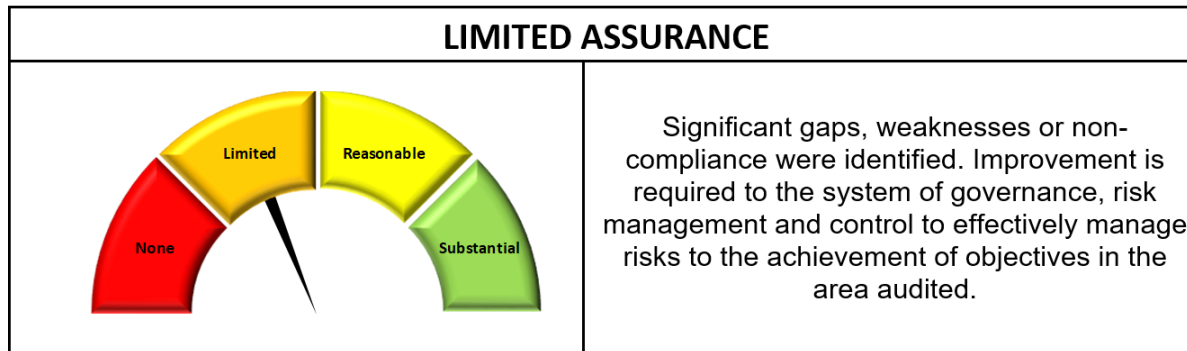
The main areas identified for improvement are:

- Key procedures are documented and made accessible to staff.
- Service processes and documentation to manage, record and monitor progress against the annual programme are aligned, with any duplication being removed.
- Variations are appropriately costed and authorised prior to work being undertaken.
- Relevant inspections are completed, recorded and documentation retained.
- Certificates and key documentation are received prior to completion sign off.
- Snagging works are identified and monitored.
- The consolidated invoice process is reviewed to ensure that there is a clear and transparent audit trail in place.
- Contracts are managed and monitored.

Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
1. All key procedures are documented and made accessible to staff, these should support relevant policies and tenancy guides.	Low	Work has commenced on reviewing the procedures. Since the Audit, a restructure has been actioned which changes the responsibilities between teams. Once this is completed the end-to-end process will be updated. Details given to operatives have already been operationally updated.	Head of Housing	April 2025
2. Management considers the use of a single source to manage, record and monitor progress against the annual programme to remove duplication in work and avoid error.	Medium	Agreed in principle, this will be reviewed once a full complement of Senior Management Team is in place.	Head of Housing	September 2025
3. Schedule of rates basket prices are reviewed to ensure they fully reflect actual costs.	Low	A recognised schedule of rates is used, it has just not been updated in line with the National Housing Federation (NATFED). The schedule of rates will be reviewed at the time a full system review is carried out.	Head of Housing	April 2025
4. The procedures and system parameters are reviewed to ensure orders and variations are appropriately costed and authorised.	High	An action plan will be put in place to address issues, but these actions will not be able to be addressed until a full complement of Senior Management Team is in place.	Head of Housing	April 2025
5. The authorising of variations and orders through the Versa system is investigated to ensure an adequate audit trail exists.	Medium	Discussions will be held with Versa to identify where the audit trail is and if this issue can be resolved.	Housing Strategy & Systems Team Manager	November 2024
6. Procedures and processes are put in place to ensure relevant inspections are completed, documentation is retained, and completion is evidenced on the housing management system (QL).	High	Post inspections are now being carried out by the asset team.  Asbestos information is currently being addressed with the contractor to enable relevant users to access the information. This will be reviewed once a full complement of Senior Management Team is in place.	Head of Housing	April 2025
7. Processes are put in place to ensure certificates are obtained upon completion and are filed appropriately for future reference.	High	The reconciliation will, going forward, be carried out by the financial Asset Management Support Officer (AMSO).	Support Services Manager	October 2024

		The process has been confirmed as – the in-house team complete compliance via a tablet. Contractors send through compliance certificates which are uploaded to the MRI software system with relevant reference number. Audit to review in three months to ensure process is now working.		
8. Processes are put in place to ensure snagging works are identified, recorded and monitored to ensure remedial works are completed.	High	Agreed in principle, this will be reviewed once a full complement of Senior Management Team is in place.	Head of Housing	April 2025
9. A review of the process is undertaken and documented to ensure that there is a clear and transparent audit trail in place and the process is relatively managed and monitored, and all officers are aware of the responsibilities in relation to authorisation and payment processes.	High	Agreed in principle, this will be reviewed once a full complement of Senior Management Team is in place and the financial architecture is in place to support this.	Head of Housing	April 2025
10. The complexity of the spreadsheets being used are reviewed and the process is documented to for business continuity purposes. Additionally, any duplication of work should be removed.	High	Agreed in principle, this will be reviewed once a full complement of Senior Management Team is in place.	Head of Housing	April 2025
11. All documentation is stored on the housing shared drive to ensure data is secure, accessible and provides sufficient business continuity should officers leave.	High	This has been fully resolved and the approach of personal drive use has ceased.		Implemented
12. Housing contracts are made accessible to all appropriate officers.	High	A team's site has been set up within housing that holds copies of the contracts for all contracts going forward.		Implemented
13. Performance data is obtained and reviewed to ensure managers can monitor contractors' performance against targets and contract terms and conditions. Where targets are not being met the contractor should submit proposals for improving performance. Additionally, officers should be aware of any financial implications of contractors not meeting their contractual agreements, to ensure that these can be enforced if required.	High	The planned structure for the service includes provision to enable this process. New contracts also support this approach. The audit plan for 2024/25 includes a housing contract management audit, to be carried out later in the year which will test and validate this approach.	Head of Housing	Q4 2024/25

## HOUSING REPAIRS



Areas of positive assurance identified during the audit:

- Officers have been trained in the procedures and processes appropriate to their areas of work.
- Pre and post inspections are being completed promptly on all empty homes and documentation is being retained.
- Contractors' schedules of rates are up to date on the housing management system (QL).
- Complaints were dealt with in accordance with the corporate complaint policy.

The main areas identified for improvement are:

- Regular review of policies and procedures.
- Prioritisation is aligned with sector standards and service level agreements, and manual intervention on the system is removed.
- Regular monitoring of orders and variations to ensure work is progressed timely and orders closed appropriately.
- A process needs implementing to capture, document and monitor pre-inspections, post inspections and specialist surveys.
- A consistent approach is required for the processing of consolidated invoices which ensures all appropriate checks are made prior to payment and invoices are processed in a timely manner.
- Contracts need to be relevantly managed and monitored.
- A process needs to be put in place to ensure recharges are identified, accurately cost, document and recovered.
- Adequate insurance arrangements need putting in place for all van stock.
- A review of Service performance monitoring and indicators to ensure the authority is fulfilling its statutory duties as a landlord.



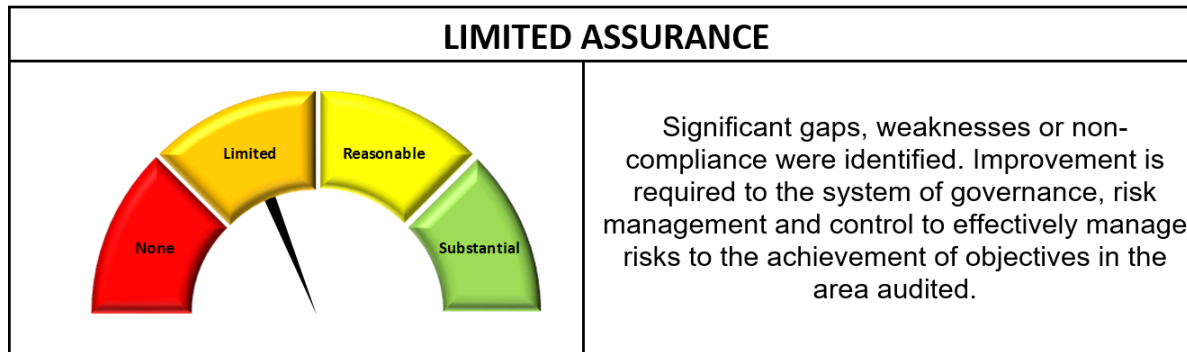
Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
1. The Council's website is updated with the new policies ensuring up to date information is available to the public.	Low	These have been updated on the website.		Implemented
2. The tenants handbook is revised to reflect any changes in policy.	Low	This will be updated in line with the latest policy changes. However, this requires tenant involvement in the process. This work is currently being programmed.	Housing Management Team Manager	December 2024
3. All key procedures are reviewed and updated to reflect current working practices, ensuring it is clear who the responsible officer is, they reflect current working practices and comply with legislative requirements.	Low	Work has commenced on reviewing the procedures. Since the Audit, a restructure has been actioned which changes the responsibilities between teams. Once this is completed the end-to-end process will be updated. Details given to operatives has already been operationally updated.	Head of Housing	April 2025
4. Following the mobilisation of the contractor, system parameters are updated to correspond with any changes.	High	The updated policy was agreed by Cabinet in April 2024. The implementation of the updated policy will be brought forward once the 'catch up' repairs contract is fully operational.	Head of Housing	December 2024
5. The system parameters are amended to prevent officers changing target completion dates.	Medium	Agree in principle, however this is currently not possible and therefore exception reporting and monitoring through 'touch point' software has been introduced to ensure that the relevant control issues identified are being appropriately managed.		Implemented
6. Investigate the possibility of setting parameters within the housing management system so that through the selection of schedule of rate and trade codes the system determines the priority for the order to remove the need for officers raising orders to have to make decision, ensuring that prioritisation of orders is consistent.	Medium	Agreed in principle, this will be reviewed once a full complement of Senior Management Team is in place. Currently being managed through exception reporting.	Head of Housing	September 2025
7. Regular monitoring of orders, follow on work, and variations is undertaken to ensure orders are issued, progressed, follow on work scheduled, variations promptly approved, and orders completed.	High	An extensive amount of work has been done since the audit and all numbers have been reduced. Regular monitoring has now been introduced and Audit is requested to re visit this recommendation with the service in Q4 to provide assurance on this identified control weakness.	Head of Housing	Q4 2024/25

8. A review is undertaken to ensure all contractors are assigned SOR books.	Medium	The Service is in the process of major re-contracting of all contracts across the service. As part of this process SOR pre contracts will be enacted within the system.	Head of Housing	April 2025
9. Pre inspection and post inspections showing on the housing management system as outstanding should be reviewed to confirm their status.	Medium	A management decision will be made on closing inspections over a set time. Inspections going forward will be undertaken on a percentage of work – urgent, Housing Health & Safety Rating System (HHSRS) and high value works.	Head of Housing	December 2024
10. A process is put in place to capture, document and monitor pre-inspection, post inspection and specialist surveys to ensure appropriate work is undertaken and tenants' homes meet the standard required.	High	These processes will be put in place once a substantive management and operational team is in place within the service, and contractors are embedded.	Head of Housing	April 2025
11. Management should consider the use of e-forms or appropriate software to capture and store inspections and review the system parameters for the automatic selection of properties to be post inspected to ensure they are appropriate.	Medium	Agreed – the Service is enacting an e-form process as described.	Head of Housing	April 2025
12. The signing off of the work completed by the QS is documented on the order within the housing management system (QL).	Medium	These processes will be put in place once a substantive management and operational team is in place within the service, and contractors are embedded.	Head of Housing	April 2025
13. Orders are changed to a history status when the contractor has been paid to prevent duplicate payment and ensure QL is accurate and up to date.	Medium	Work is ongoing with finance on overall process review. As part of the procedures work (elsewhere covered on this audit) it will also address this. The Service is seeking to automate this process between the finance and Housing systems. Historic jobs will be closed.	Head of Housing	April 2025
14. A payment mechanism is agreed with contractors and is put in place for the processing of consolidated invoices, ensuring a timely, consistent approach.	Medium	The service is re-contracting all major suppliers. During this process the management of batch payments and invoicing has been addressed. The audit plan for 2024/25 includes a housing contract management audit, to be carried out later in the year which will test and validate this approach.	Head of Housing	Q4 2024/25
15. Payment Certificates are signed by the Contract Administrator before payment is made.	High	The planned structure for the service includes provision to enable this process. New contracts also support this approach.	Head of Housing	Q4 2024/25

		The audit plan for 2024/25 includes a housing contract management audit, to be carried out later in the year which will test and validate this approach.		
16. All invoicing documentation is stored on the housing shared drive and documents are filed in a clear consistent manner, to ensure that key documents are easily identified.	Medium	This has been fully resolved and the approach of personal drive use has ceased.		Implemented
17. Officers are given training on the use of unauthorised software and secure storage of documentation to ensure data protection is not breached.	High	This approach has been ceased and an IT action has blocked any further use of this.		Implemented
18. Each contract is assigned to a specific contract officer who will be responsible for managing and monitoring the relevant contracts. This will ensure that any breaches are identified and rectified promptly.	High	The planned structure for the service includes provision to enable this process. New contracts also support this approach. The audit plan for 2024/25 includes a housing contract management audit, to be carried out later in the year which will test and validate this approach.	Head of Housing	Q4 2024/25
19. Performance monitoring data is obtained from the contactors for review to ensure contract conditions are being met.	Medium	The planned structure for the service includes provision to enable this process. New contracts also support this approach.  The audit plan for 2024/25 includes a housing contract management audit, to be carried out later in the year which will test and validate this approach.	Head of Housing	Q4 2024/25
20. Outstanding recharges debt is regularly monitored and relevantly reported.	Medium	A review of the process of managing and reporting rent accounts is in progress. This will be addressed as part of this review.	Housing Strategy and Systems Team Manager	March 2025
21. Management explore using the housing management system (QL) to identify and create recharge rent debit removing the need for internal recharge forms.	Medium	A review of the process of managing and reporting rent accounts is in progress. This will be addressed as part of this review.	Housing Strategy and Systems Team Manager	March 2025
22. Processes are reviewed, and appropriate controls are put in place to identify, accurately cost, document, and recover recharges to tenants. In conjunction with the above, management consider introducing a minimum recharge limit and explore the	Medium	In April 24, a new policy regarding repairs approaches was adopted. This includes an improved management of recharges for works related to repairs. Other aspects of this recommendation will be addressed via the review of our reporting and management of rent accounts.	Housing Strategy and Systems Team Manager	March 2025

capabilities of the Aareon Versa Mobile System to streamline the process.				
23. The Compensation Policy is reviewed, distributed to the relevant officers and training on the process given where appropriate.	Medium	The Compensation Policy was reviewed and agreed by Cabinet in April 24. Distribution has taken place and training is planned to be provided where appropriate to the limited number of staff involved in the process.		Implemented
24. Procedures are put in place to ensure compensation payments are appropriately authorised.	Medium	Compensation approaches and authorisation levels are set out in the revised Compensation Policy adopted by Cabinet in April 24. Compensation via the complaints process is all either authorised at Director or CEO level. Others are approved in line with the policy.		Implemented
25. Appropriate insurance is arranged for stock held on vehicles.	Medium	There is no insurance provision through Zurich and there never has been. Due to the value, the Council would not seek to transfer this risk and instead provide self-insurance and any losses would be covered by the Housing Revenue Account.		Implemented
26. A review of performance monitoring and indicators is undertaken to ensure that the organisation is capturing sufficient and accurate information and that what is being produced is measurable, objective focussed and meaningful, and is reported and reviewed on a regular basis.	Medium	Monitoring of the housing service is undertaken by the approach adopted by Council in Q3 2023 when it approved the Council Delivery Plan (CDP). This includes a specific target in the CDP, several in the Business Plan (adopted Q4 2023), and the Housing Service plan adopted in June 24 and endorsed by the cross-party Housing Improvement Board. These are all following the corporate adopted monitoring approach. In addition, data monitoring of key indicators is undertaken across the service on a monthly basis. Monitoring of the national Tenant Satisfaction Measures are also undertaken and published to the regulator and on the Council's website. Pay Performance Agreement (PPA) monitoring has been suspended whilst this is being renegotiating. Staff pay has not been impacted whilst negotiations continue.		Implemented

## HOUSING ASBESTOS MANAGEMENT



Areas of positive assurance identified during the audit:

- There is an approved Asbestos Management Policy, dated October 2023.
- Roles and responsibilities in relation to Asbestos Management are documented in the Asbestos Management Policy.

The main areas identified for improvement are:

- There being a complete set of procedures relating to asbestos management in Housing.
- Having an approved Asbestos Management Plan, as referred to in the Asbestos Management Policy, which is regularly reviewed and updated.
- Agreeing the format of the Asbestos Register and assignment of responsibility to ensure the register is kept up to date.
- Maintaining records to enable monitoring of results of asbestos surveys to ensure action is taken as required.
- Carrying out assessments to confirm compliance with the Council's statutory duties relating to asbestos.
- Uploading of asbestos surveys and other any relevant certificates / documents to the Housing System (QL and MRI).
- Having effective contract management in place, with named contract managers, regular minuted contractor meetings, establishing and monitoring of key performance indicators, provision of financial information relating to the contract etc.
- Ensuring that officers have received the required level of asbestos management training for their role.

Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
1.An Asbestos Management Plan, as referred to in the Asbestos Management Policy, should be completed, approved, made available to staff, and appropriately reviewed and managed.	High	The Asset Team Leader has been working on the Asbestos Management Plan with The Health and Safety Officer, the final draft review is pending completion to submit to Corporate Leadership Team (CLT) for approval and corporate distribution.	H&S Officer / Responsible Person	December 2024
2.The Asbestos Procedures and Guidance document should be reviewed and updated to ensure that it captures all key procedures and processes relating to asbestos management.	High	A revision will be completed, tie in with issue of AMP.	Asset Team Leader/ Head of Housing / External Consultants	December 2024
3.The Council should conduct an assessment to identify all areas of non-compliance of statutory duties in relation to Asbestos Management. Following this an action plan should be put in place to ensure that the non-compliance is addressed. Assessments should then be scheduled at regular intervals to ensure ongoing compliance.	High	<p>The Asset Management team holds reports to cover compliance of over 95% of the domestic stock and 100% of communal to comply with CAR2012.</p> <p>The Asset Management team has assessed where non-compliance is occurring and, in the majority, falls down to lack of resources that are managed or influenced by the following –</p> <ul style="list-style-type: none"> <li>• Two managers absent on long term sick leave.</li> <li>• Failing to recruit to three team crucial posts.</li> <li>• One post being carried out by an unqualified member of staff.</li> </ul> <p>Due to the lack of resources, the data received day to day, operational admin and data management is not being completed to a sufficient standard. Minimal admin is undertaken, and other staff resources are being utilised to pick up the short fall. Quality assurance is at risk due to insufficient administration of the asbestos data and as a consequence puts operatives, contractors, staff and other end users at risk.</p> <p>Failure to manage properly exposes NWLDC to prosecution from the Regulator, HSE and leading to unlimited fines.</p> <p>The service is continually trying to actively recruit, however, to reduce/ remove the risks associated with the control issues identified, the Housing Asset Management</p>	Head of Housing	November 2024

		team is currently reviewing options available to them which include outsourcing the control and quality assurance of the asbestos data that is relied on.		
5.Asbestos surveys should be uploaded to QL / MRI within a reasonable period of time following receipt of the survey.	High	This is a known issue that can only be resolved by adequate resourcing and addressing the issues detailed in the response to recommendation 3 above. The Tersus portal will be used initially to reduce the risks.	Compliance Team Leader – when appointed	November 2024
6.There should be a central record containing details of asbestos surveys, the results of the surveys and any action to be taken. The record should be used to enable effective monitoring of actions required. Responsibility for ensuring the record is maintained and actions completed should be assigned.	High	Whilst there are various locations for data held, Asset Management have been working on reducing data suppositories to MRI, QL or the contractor portal. A central record is being developed to streamline how these are maintained so there is adequate visibility to all users of the data held. It is to be noted again that this is only feasible with the resourcing issues identified in the response section in recommendation 3. being addressed.	Compliance Team Leader – when appointed	March 2025
7.The contract with Tersus Consultancy should be finalised and copies provided to relevant staff.	High	Contracts were prepared earlier in the year and were delayed due to resourcing issues. The contract is being chased by legal to complete its final processes.	Asset Manager / Legal	August 2024
8. All contracts should have a named contract manager and formal contract management arrangements should be put in place.	High	This is a known process within Asset Management. Actioning this process and formally following through with normal contract administration is not possible with the current lack of resources to manage individual contracts. The planned structure for the service includes provision to enable this process. New contracts also support this approach. The audit plan for 2024/25 includes a housing contract management audit, to be carried out later in the year which will test and validate this approach.	Head of Housing	Q4 2024/25
9.Key performance indicators (KPI's) and the frequency to which they should be reported to management should be agreed with asbestos contractors. Service Plan KPI's should be a standard agenda item in any contract management meetings.	High	This is a known process within Asset Management and when administrating contracts. The delays in executing and mobilising the contract have set back formalising these arrangements. Adequate resourcing is also essential in capturing this data set. The new suite of KPI's will be discussed at contract management meetings now the new contract is nearly in place.	Head of Housing	Q4 2024/25

<p>10. Advice should be sought from the Procurement Team/ Director of Resources regarding overspends against contract values and any action to be taken.</p>	<p>High</p>	<p>Central finance systems are difficult to extract and interrogate financial expenditure and budgets to effectively manage contracts.</p> <p>Training sessions have been identified and are being rolled out.</p> <p>Asbestos removal is contractually administered by the Repairs Team Manager – which has been vacant for a considerable time.</p>	<p>Asset Team Manager / Asset Manager/ Commercial services Team Manager / Repairs Team Manager / Finance</p>	<p>December 2024</p>
<p>11. Following receipt of the Schedule of Rates from Tersus Consultancy, invoices from the start of the contract should be reviewed to confirm that the Council has been correctly invoiced.</p>	<p>High</p>	<p>This is a known process within Asset Management and when administrating contracts. The delays in executing and mobilising the contract have set back formalising these arrangements.</p> <p>Adequate resourcing is also essential in capturing this data set.</p> <p>The planned structure for the service includes provision to enable this process.</p> <p>This issue may have been due to the agency contractor not having site of the framework rates.</p> <p>A review will be carried out</p>	<p>Head of Housing</p>	<p>March 2025</p>
<p>12. For each of the asbestos contracts financial information should be produced and presented to management for both monitoring and discussion at contract management meetings.</p>	<p>High</p>	<p>This is a known process within Asset Management and when administrating contracts. The delays in executing and mobilising the contract have set back formalising these arrangements.</p> <p>Adequate resourcing is also essential in capturing this data set.</p> <p>Agree in principal but, until Unit 4 is fully operational this will not be possible to implement.</p>	<p>Head of Housing</p>	<p>March 2025</p>
<p>13. The Council should ensure that all relevant staff have received / undertaken the level of training in Asbestos Management as required by either their job role or their assigned role within the Asbestos Management Policy.</p>	<p>Medium</p>	<p>Whilst all operational staff have the minimum Asbestos Awareness training others at team leader, supervisor and management have received Duty to Manage training.</p> <p>Whilst this is recognised as a minimum requirement, it has been identified that team managers should receive P405 training to mitigate risk at a higher level and to cover duty holder requirements in the absence of other Responsible Persons.</p>	<p>Head of Housing and Strategic Director of Communities</p>	<p>September 2024</p> <p>Training dates will be advised following the review.</p>



		HR, in conjunction with managers/ Heads of Service, will be requested to carry out a review of which officers require which level of training across the authority. Following this, training will be arranged.		
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## EXTENDED RECOMMENDATIONS

Audit Year	Audit	Recommendation	Priority	Response/ Agreed Action	Responsible Officer	CLT	Original Due Date	1st Follow up comments	Extension Date	Second Follow up comments	Extension Date	Further Management update	Further extension date
2021/22	Corporate Estates Management	1.A review of all compliance policies and processes is undertaken to establish single corporate policies and comprehensive procedure guides to ensure a consistent approach across the whole of the authority. All policies and procedures should be stored with accessibility for relevant officers.	High	Bearing in mind this groups inception during the pandemic, this group has been operational in nature and considering issues such as contracting and ensuring operational compliance and managing operational risk. As a minimum the following corporate policies will be developed to address this observation (the below are based on risk prioritisation): Legionella Asbestos Fire Risk Management General Health Safety & Security Electrical Management	Property Services Team Manager (for drafting)	Head of Economic Regeneration	Dec-22	Update - consultants have been employed to develop a Corporate Asset Management Toolkit. This will cover frequency of inspections and recording of compliance.	Jul-23	Jul-23: Partially completed in that some policies are now in place.	Dec-23	Dec-23: There are policies in place now for Legionella, Asbestos, Fire Risk Management and General Health and Safety. Nothing confirmed for Electrical Management Policy	Oct-24
2021/22	Corporate Estates Management	2 A performance monitoring and reporting framework is introduced which includes contractor and legislative compliance performance monitoring and periodic reporting to the Statutory Duty Group and, where necessary, the Corporate Leadership Team.	High	Overlapping with the audit we have begun the introduction of a performance monitoring framework, utilising a RAG system. This will be reported through to CLT. It would be beneficial to include properties not managed by property services into this report.	Head of Economic Regeneration	Head of Economic Regeneration	Oct-22	Update - consultants have been employed to develop a Corporate Asset Management Toolkit. This will cover frequency of inspections and recording of compliance.	Jul-23	Jul-23 – Good progress is being made but consultants still engaged.	Dec-23	Dec-23 Contractor performance is currently being monitored via the Statutory Duty Group. Further improvements are expected to be delivered by the council adopting a digital Asset Management System to work alongside the Asset Management Toolkit currently being prepared. Work to identify Asset Management Systems is with implementation and onboarding likely to take 6 months.	Oct-24
2021/22	Corporate Estates Management	3 To ensure that the authority is fully meeting its legislative responsibilities in an efficient and effective manner consideration is given to introducing a true corporate landlord model for corporate property.	High	Since the publication of the 2020 report, there has been considerable change in both the operation of the council, its ability to address some strategic issues due to the pandemic, and more recently changes in property service management, housing senior management and the Chief Executive, along with changes to our accommodation strategy.	Strategic Director	Strategic Director	Mar-23	Extended to align with other recommendations	Jul-23	Jul-23 – Good progress is being made but consultants still engaged.	Dec-23	Dec-23 As detailed above, the adoption of a new system will assist with meeting legislative compliance. Following this full consideration will be given to adopting a corporate landlord model.	Oct-24 for system implementation  Dec-24 for decision on the adoption of a corporate landlord model.

				So as to address the above we will undertake a further assessment of options for the operation and scope of an overall property function spanning all of our assets, and consider how this is best addressed in the future.									
2021/22	Corporate Estates Management	4 The process for recording and monitoring issues through the compliance tracker is fully implemented and a reporting framework is put in place, to ensure that any remedial actions or works required are identified and tracked to fruition in a timely manner	Medium	Agreed – for the property services managed properties. This may take longer to fully implement if we follow a corporate landlord model. If not then there will not be assurance for all properties.	Head of Economic Regeneration	Head of Economic Regeneration	Oct-22	Update - consultants have been employed to develop a Corporate Asset Management Toolkit. This will cover frequency of inspections and recording of compliance.	Jul-23	Jul-23 – Good progress is being made but consultants still engaged.	Dec-23	As per recommendation 2	Oct-24
2021/22	Corporate Estates Management	6 A comprehensive record of all assets and statutory inspections/ checks that are required by the Council is introduced. These records should cover all services and be monitored and reported against on a regular basis to ensure testing/ checks have taken place as required. Note: This recommendation was made in the Health and Safety Audit, undertaken in February 2021 (due for implementation in June 2021) and as yet has not been implemented.	High	Not all of these assets are owned by the authority. The scope of the contracts need to be known and recorded and performance monitored against this. Where assets are owned by the authority these will be detailed as required.	Head of Economic Regeneration	Head of Economic Regeneration	Mar-23	Extended to align with other recommendations	Jul-23	Jul-23 – Good progress is being made but consultants still engaged.	Dec-23	The digital Asset Management System will automatically schedule inspections at the required frequency. It is expected that a decision on which Asset Management system is to be adopted will be taken by 31/3/2023 with implementation and onboarding likely to take 6 months thereafter.	Oct-24
2021/22	Project Management	7. Following agreement of a corporate approach to Project Management suitable training should be made available to enable staff to effectively manage projects.	High	As above	Director of Resources	Director of Resources	Dec-22	Recommendation extended due to corporate review	Sep-23	As per recommendation 1	Mar-24	Mar-24: The upcoming training sessions, scheduled for later this year, will be particularly beneficial once the new templates and guidance materials are available. Paul Kaerger, with his expertise from PKMS, will be a good choice to lead these sessions, bringing valuable insights and experience to the training program. June-24: Project management training is	April-24 Oct-24

													scheduled for September 2024, with a neighbouring authority. Additionally, an e-learning module will be developed later this year.	
2022/23	Rent Accounting and Arrears	10. With the introduction of Unit 4 (new Finance System) the rent debit should be uploaded automatically from the Housing System to the General Ledger each week. This should enable weekly reconciliations between the two systems to be carried out.	High	Agreed	Housing Strategy and Systems Team Manager	Director of Communities	Aug-23	Aug 23 – No response	Sept 23	Sept 23 - Issues regarding UNIT4 - meeting with Finance planned for w/c 11.9.23. Will require an extension to the implementation date.	Oct 23	Nov-23 Further extension requested.	<del>Mar-24</del> Sept-24	
2022/23	Payroll	1. A review of the roles carried out between HR Administration, HR Payroll and Finance Payroll should be carried out to ensure, adequate separation of duties exist between HR (staffing), payroll (preparation) and payroll (payment).	High	Agree – will need to look at roles of staff and how to implement to ensure adequate separation of duties.	Head of Finance and Head of HR and Organisational Development	Director of Resources/ Head of HR & OD	April-24	Not implemented due to resourcing issues/ staff leaving. Will further discuss with Director of Finance and Head of Finance.	July-24					
2022/23	Payroll	2. A regular review of the iTrent audit log is carried out by an independent officer to ensure functions are appropriate to the officer.	High	Agree – appropriate audit log to be sourced, possibly reviewed by Senior HR Advisors.	Head of HR and Organisational Development.	Head of HR and Organisational Development	Dec-23	Dec 23 – Not implemented due to resourcing issues/ staff leaving. Will further discuss with Director of Finance and Head of Finance.	July 24					
2022/23	Payroll	3. Consideration should be given to providing training to a member of the Human Resources Team to ensure business continuity in the event of the absence of the HR Analyst.	Medium	Agree – training to be provided to a member of the HR Team but may require additional resource.	Head of HR and Organisational Development.	Head of HR and Organisational Development	Dec-23	Dec 23 – Not implemented due to resourcing issues/ staff leaving. Will further discuss with Director of Finance and Head of Finance.	July 24					
2022/23	Payroll	4. Sample testing should be undertaken when changes to standing data occur to confirm they have been correctly applied.	High	Agree – sample checking to be undertaken and evidence retained.	Payroll Officer / HR Analyst	Director of Resources	Dec-23	Dec-23 Testing to be undertaken in January with changes to NI and again Feb/ March.	July-24					
2022/23	Payroll	5. On, at least, an annual basis an establishment report from iTrent should be	High	Agree – report to be obtained from iTrent and issued on an annual basis.	Head of HR and Organisational Development.	Head of HR and Organisational	Mar-24	Extended as requested.	July-24					

		run and issued to Heads of Service / Managers to confirm the accuracy of the report. The report should include all staff, vacancies, hours worked, contractual basis, salary and salary point. Checks should be documented and once completed should be returned to HR to action any items identified and to retain as evidence of checks being undertaken.				Development							
2022/23	Payroll	6. A review of the payroll checking process is carried out to eliminate duplication, reduce the risk of fraud and ensure independence in the review and checking of the monthly payroll.	High	Agree – current payroll checks to be reviewed and revised.	Exchequer Services Team Leader and Head of HR and Organisational Development	Director of Resources / Head of HR and Organisational Development	Dec-23	Dec 23 – Not implemented due to resourcing issues/ staff leaving. Will further discuss with Director of Finance and Head of Finance.	July 24				
2022/23	Payroll	7. A full review of user access is carried out, in particular System Administrator access should be reviewed, and the number reduced.	High	Agree – access to be reviewed and removed where no longer required.	Head of HR and Organisational Development	Head of HR and Organisational Development	Dec-23	Dec 23 – Not implemented due to resourcing issues/ staff leaving. Will further discuss with Director of Finance and Head of Finance.	July 24				
2022/23	Payroll	8. A review of the access for the HR Analyst should be undertaken and access removed / disabled where no longer required.	High	Agree – access to be reviewed and removed where no longer required.	Head of HR and Organisational Development	Head of HR and Organisational Development	Dec-23	Dec 23 – Not implemented due to resourcing issues/ staff leaving. Will further discuss with Director of Finance and Head of Finance.	July 24				
2022/23	Payroll	9. Consideration should be given to ICT undertaking the System Administration role within iTrent. This would assist with the separation of duties, referred to in recommendation 1.	Medium	Agree – will discuss transfer of responsibilities with IT Manager.	Head of HR and Organisational Development	Head of HR and Organisational Development	Dec-23	Dec 23 – Not implemented due to resourcing issues/ staff leaving. Will further discuss with Director of Finance and Head of Finance.	July 24				
2022/23	ASB	2. The performance indicators are reviewed and where appropriate new indicators added to measure performance against the incremental approach.	Medium	Review the indicators in line with the review of the ASB policy. With the intention to make the indicators for community safety and housing the same.	Housing Management Team Manager.	Head of Housing	Mar-24	March 23: New set of indicators within the policy. Extension to ensure that these are fully embedded and reported following the approval of the Policy at Cabinet	July 24				

2022/23	ASB	3. Statistical information and benchmarking is completed to ensure comparison for best practice, and identifying trends, in accordance with the ASB Policy.	Medium	This statement within the policy was intended for housing, as the policy is driven by housing legislation and will be reviewed as part of the policy. Housing response 17.7.23: a new suite of indicators is now being captured in line with the Tenant satisfaction measures outlined by the Social Housing regulator.	Housing Management Team Manager.	Head of Housing	Mar-24	March 23: New set of indicators within the policy. Extension to ensure that these are fully embedded and reported following the approval of the Policy at Cabinet	July 24				
2023/24	Safeguarding	7.The updated DBS Policy should be made available to staff on SharePoint. The out-of-date DBS Policy should be removed from SharePoint to avoid confusion.	High	Agreed	Head of HR and Organisational Development	Chief Executive	May-24	June 24 - The revised policy will be considered by CLT in early August 2024 and sharepoint will then be updated accordingly.	Oct-24				
2023/24	Safeguarding	8.Staff required to have DBS checks should be made aware of the requirement to have annual rechecks, the results of which should be provided to and recorded by HR. Consideration should be given to including this as an item within the annual Individual Development Review (IDR) to ensure that it is not overlooked. Consideration should be given to including this as an item within the annual Individual Development Review (IDR) to ensure that it is not overlooked.	High	Agreed – however the policy is to be changed and the requirement will be for DBS rechecks to be completed every three years.	Head of HR and Organisational Development	Chief Executive	May-24	June 24 - An updated list of posts requiring checks is being circulated to managers and when the revised policy has been agreed by CLT all staff checks will be renewed. The results of the checks will then be recorded on I-Trent and reminders will then be auto-generated to managers and employees at the 3 year anniversary.	Oct-24				
2023/24	Procurement and Contracts	3.The contract register should be reviewed and updated on a regular basis to ensure compliance with the Local Government Transparency Code. Responsibility for updating the contracts register should be relevantly assigned.	High	Agreed. This is currently in train. If the full information is not available, will publish and add full detail at a later date.	Procurement Officer	Director of Resources	Jun-24	June 24 – The data continues to be compiled. It is intended that the register will be published on the Council's website by the end of July.	Aug-24				

2022/23	Rent Accounting and Arrears	1.The policies and procedures held by both the Rent Accounting and Housing Management Teams should be reviewed and updated where necessary. Any obsolete / out of date policies should be archived.	Medium	Agreed – consultation is required for certain policies. This can also be picked up as part of the Policy audit whereby all council policies are listed, with the author and recommended review date.	Housing Strategy and Systems Team Manager and Housing Management Team Manager.	Director of Communities	Dec-23	Dec 23 – This will be picked up following the policy audit report being presented to CLT.	Jun-24	June 24 – To be addressed through the ongoing policy review process and through the specific Rent Accounting Audit recently completed.	Mar-25		
2022/23	Rent Accounting and Arrears	3. A review as to the circumstances in which properties are taken 'out of debit' and whether this is the correct action to take should be carried out. Where a decision is made to continue to take properties 'out of debit', then the relevant policy / procedure needs to be updated.	High	Agreed, this will be reviewed along with the decision-making process.	Head of Housing	Director of Communities	Jun-24	June 24 – To be addressed via the Head of Housing working with the Head of Finance and the Housing Systems and Strategy Team Leader.	Dec-24				

## 2024/25 INTERNAL AUDIT PERFORMANCE

Performance Measure	Position as at 30.06.2024	Comments
Achievement of the Internal Audit Plan	0%	This is due to the delays in completing the 2023/24 audit plan.
Quarterly Progress Reports to Management Team and Audit and Standards Committee	On track	
Follow up testing completed in month agreed in final report	On track	
Annual Opinion Report - July 2023 Audit and Governance Committee Meeting	Achieved	
100% Customer Satisfaction with the Internal Audit Service	100%	Based on two received during 2023/24
Compliance with Public Sector Internal Audit Standards	Conforms	External inspection carried out w/c 30 November 2020 which confirmed that the Council conforms with the Public Sector Internal Audit Standards.